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West Europe Report

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21 March 1984

WEST EUROPE REPORT

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CP POLITBURO ADOPTS NEW RESOLUTION ON EUROMISSILES

Oslo AFTENPOSTEN in Norwegian 8 Jan 84 pp 8-9

[Article: "Communist Party Chairman Hans I. Kleven: The Peace Effort Has First Priority "]

[Test] "Since the deployment of new U.S. nuclear weapons has begun, a new international situation has arisen. It is both more complicated and more peace threatening," said Hans I. Kleven, chairman of the Communist Party of Norway (NKP) when he opened the discussions at the CP Politburo meeting last weekend on the deployment of the missiles and the tasks of the peace forces in connection with that.

He also elaborated on which main issues the peace movement in Europe was now facing:

How can the activities of the peace movement be continued and strengthened further? New formats must be developed parallel to the old ones. It is not enough to just march.

Without clear and wideranging actions with concrete slogans and demands by the peace movement, the West European NATO governments (which majority also is conservative) will not make any move against the United States.

The New Situation

The peace effort is the first priority for the communist parties in Europe and should be for everybody because the latest and most essential development is:

The U.S. Euromissiles are /first-strike/ weapons. They are nuclear weapons for an attack war--a new Blitzkrieg. They are the tangible evidence that the military doctrines of the United States and NATO are becoming increasingly more aggressive and conspicuous. They are to qualitatively carry out new tasks.

The U.S. Pershing and cruise-missiles, 857 in all, are not just first-strike weapons but they are also /strategic weapons/. As a background of their technical "characteristics:"

/Range/ of 2,000 km which can be increased to 4,000 km without technical problems. That is to say, they can travel deep into the Soviet Union and hit central political and military centers.

/Air speed/. The Pershing II can reach these targets in 5-10 minutes. In other words, this is a very short flying time as opposed to the intercontinental missiles. For comparison: the SS-20 missiles cannot reach U.S. territory.

/The target accuracy/ of the new first-strike missiles is 30 meter precision.

/Explosive force/--each warhead: 20 kilotons.

The Balance

The purpose of the deployment of first-strike missiles is to upset the approximate military balance that now exists between the Soviet Union and USA and between NATO and the Warsaw Pact. This balance, which was reached at the end of the sixties, has historical significance for the whole world and, among other things, made the Helsinki conference and the Helsinki Final Act possible. This balance is the basis for the preservation of peace. It is the balance that is the basis for the goal: gradual disarmament--which should be balanced. This balance must be preserved at any price.

This is especially dangerous because the Washington imperialism aims at solving the international problems with force first and foremost. This is evident, among other things, from the military expenditure. On 15 Sep 83, the Congress appropriated the huge sum of 280 billion dollars (over 2,220 billion kroner) for military programs in the 1984 budget. During 1985-89, the United States aim at using 2 billion dollars for a new round in the arms race.

This will not be done just so the arms plants can haul in gigantic state guaranteed profits but this expenditure is for arms for extortion and eventual use. Those who talk about unilateral disarmament forget what imperialism is and have forgotten what history has taught us, among other things, World War II. Imperialism will not become nice and complying if one is "cooperative," gives in, disarms and does not respond firmly to its thrust.

Unity

"In order to combat this dangerous development, unity is necessary," said Kleven:

It is the combination of the peace forces and the anti-imperialistic powers that can secure peace and force forth disarmament and removal of the blocs.

Now, after the deployment of the Euromissiles has begun, the international situation is no longer the same as it was before. The world is now perhaps in its most dangerous period of the postwar period.

In this particular situation, the peace powers in all of Europe and in North America must join their forces in:

--stopping further depolyment
--dismantling the already deployed missiles and
--forcing the U.S. and the other NATO countries to return to the situation that existed in Europe before the deployment began.

Nordic Nuclear-Free Zone

In our peace effort the starting point should primarily be Norway's situation, i.e. the country's ranking and integration in the U.S. nuclear strategy and the way out of it. In other words, the question of what--an independent--Norwegian security policy can be.

The demand for a Nordic nuclear-free zone focuses more and more on a central specific peace effort in Norway. It seems as if this must be the main slogan for NTA.

With that it becomes extraordinarily important that we have clear concepts about what the concrete content of this slogan must now be. In other words, what must be central to the slogan "Nordic nuclear-free zone."

Since the Danish Folketing also gave its approval, a conservative government at that, it will obviously become extremely important to press forth a similar approval in the Norwegian Storting. With that, the government and the executive powers will be "tied down" and must enter into negotiations with the other Nordic countries which all three now have a positive attitude toward a firm treaty.

Communist Party Politburo: Saving the Peace is Saving Life!

The Norwegian Communist Party wants to call out a loud warning: the risk of all of us being annihilated in the flames of nuclear war increases every day. It is very important that all those who fear nuclear war act now and rally around this one objective: to save world peace and life itself on earth. Saving the peace is saving life.

The new U.S. missiles in Europe have brought us one step closer to disaster. Pershing II and cruise missiles are first-strike weapons, not defense weapons--and have therefore changed the balance of power between East and West. They have not created greater security but greater risk of war. The new deployment in the West will now be met by military counterefforts in the East. All this gives reason for fear.

The Norwegian Communist Party wants to stigmatize those who carry the main responsibility for this: the U.S. government and the arms industry which also profits enormously from it. Moreover, the U.S. NATO allies, among them the Willoch-government, carries joint responsibility for the deterioration of the international situation.

It is the U.S. political and military leaders who will decide when and if the new weapons will be used. This shows that the countries in Western Europe no longer will be masters of their own fate and their own existence. The COB

[Collocated Operating Bases] agreement Norway has entered into with the U.S. about making Norwegian airports combat ready for U.S. fighter bombers, stockpiling of heavy U.S. military equipment in Trondelag, the SOSUS [Sound Surveillance System] chain, electronic listening, tracking and control stations on Norwegian territory are important elements in U.S. global war strategy. Norway is used as a pawn in the dangerous game of imperialism the U.S. is playing with world peace.

The foundation for the Geneva talks is broken and with that an important part of the negotiation system between East and West has disappeared. The seriousness of the situation demands cooperation between all who want peace. The entire peace movement must strengthen its activity and protect its non-party characteristics under joint slogans. The most important are:

"No" to nuclear weapons in the East and the West. Away with the new U.S. missiles. The missiles that are in place must be withdrawn.

Parallel to this withdrawal, counterefforts by the Warsaw Pact must cease and the Geneva talks must resume.

Halt to all testing, production and deployment of new nuclear weapons.

The military balance must be brought down to a stable lower level.

The Helsinki Procedure on Security and Cooperation in Europe must be carried on. Norway must submit a proposal on a confidence-inspiring effort for disarmament and not tie its actions to the United States.

The fight for a treaty-secured Nordic nuclear-free zone is to be intensified. Norwegian authorities must be forced away from their negative attitudes and join other Nordic countries in such a treaty.

Norway must leave the U.S. nuclear strategy and phase out agreements that tie Norway to the U.S. nuclear war plans.

Norway's survival interest is served by a policy of detente and peace in Europe. Together with other Nordic countries, Norway can take a positive step in this direction. Peaceful coexistence must form the basis for the relations between countries with different social systems. The role of the UN must be strengthened for this effort.

Remove the nuclear threat for Europe! To security and cooperation in Europe!

PEACE MOVEMENT LEADER: SOVIETS MAKING FEWER OVERTURES

Oslo AFTENPOSTEN in Norwegian 9 Feb 84 p 3

[Article by Liv Hegna: "Soviets Less Interested in No-to-Nuclear Weapons"]

[Text] Recently there have been considerably fewer inquiries from the Soviet Embassy to the organization No-to-Nuclear-Weapons [NTA]. It is Ole Kopreitan, day-to-day leader of the organization, who tells AFTENPOSTEN this. He adds that from the Soviet side, a certain optimism prevailed before the missile resolution. The visits were more frequent at that time. The organization also often receives many inquiries from the other embassies.

Moreover, Ole Kopreitan underscores that there is also considerable interest in NTA at the American Embassy. Kopreitan thinks that for a while it could be described as having been just as intense as the interest shown by the Soviets before the missile resolution. Furthermore, he also contends that other nations show attention to NTA: "I can, for example, mention that the Cuban peace movement has visited us. That shows the range of the anti-nuclear-weapon movement".

Kopreitan says that NTA has gained a political leverage and importance which results in the organization also receiving requests from the Foreign Ministry to brief foreign visitors about its activities.

"The same rules apply to all visitors. The guests are received in our office and only during office hours. We are never alone with any foreign representatives nor any others. We always have more people present. We are not naive. We know how to tackle those requests," says Kopreitan.

[Question] Does NTA extend great hospitality when an embassy representative visits?

"Everybody gets the same treatment. A cup or two of instant coffee and the conversation only lasts for half an hour," says Kopreitan who stresses to the AFTENPOSTEN that he thinks it is quite useful to have contacts with the embassies and compare notes.

"The visits never have the aura of courtesy visits. NTA is always open about what we stand for. Our slogans are directed against nuclear weapons both in the East and the West. In principle we say yes to everybody who wants to discuss nuclear weapon policies with us. We account for our views and they for theirs. We always listen to that," maintains Kopreitan to AFTENPOSTEN.

GROUP OPPOSED TO EUROMISSILES REVEALS POLITICAL STRATEGY

Oslo AFTENPOSTEN in Norwegian 7 Feb 84 p 7

[Article by Liv Hegna: "No-to-Nuclear-Weapons Will Influence New Party Programs"]

[Text] The No-to-Nuclear-Weapons campaign hopes that a similar development which took place within the Labor Party will take place in other parties. This was emphasized by information secretary for the action, Magne Barth, at a press conference yesterday. Barth said that No-to-Nuclear-Weapons (NTA) will launch an influence campaign when party programs are being formulated in the future, as well as trying to get its politically involved members to promote candidates in the nomination process who are declared opponents of nuclear weapons: "These people will be in the majority in the Storting," said Barth.

To a question of whether Magne Barth could name names of Storting representatives who today claim to be supporters of nuclear weapons, he answered that all who say that they stand firm on Norwegian defense and security policies can be considered prepared to use nuclear weapons, not only as retaliatory weapons but also as first strike weapons.

To a follow-up question of whether NTA would not cause a changeover of just about the entire current Storting representatives in the 1985 elections by the very fact that most of them today support Norwegian defense and security policies, Barth responded that in his opinion there were far too many who do.

[Question] Will NTA obligate its members to advocate people for the nomination who declare themselves opponents of nuclear weapons?

[Answer] We feel it is legitimate to use all means of influence during the political decision process.

[Question] What will NTA do if the action receives an answer from the parties? Last year the Conservative Party chairman answered collectively on behalf of all members and rejected NTA's question in principle.

[Answer] NTA is of the opinion that the movement must get down to the basic level. Our members must formulate the parties' views on how the nuclear weapons issue should be tackled.

To a question of whether NTA's action work is made difficult because of the exposure of KGB agent Arne Treholt, the leader of the action's secretariat, Ole Kopreitan, answered that it has not made it easier and Magne Barth added that those who already have been opposed to NTA now have received new ammunition.

It also came forth at the press conference that NTA considers the missile deployment a defeat, but Ole Kopreitan says that spirit is high among the people in the field to continue the battle against nuclear weapons in all forms or shape.

Also, the NTA board has approved a statement in which, among other things, there is a demand for a revision of the COB agreement for Norwegian inspection rights when it comes to eventual transfer of nuclear weapons by U.S. aircraft. "The COB agreement does not say anything about which weapons the U.S. aircraft can bring to Norway. We must have the right to control that they do not bring nuclear weapons," said Kopreitan.

Moreover, deputy chairman for the Norwegian Transport Workers Union, Odd Bach, who is also a board member of NTA, said that he assumes that the U.S. has agents in Norway like the KGB. When asked whether he wanted to name one American agent in the West, he answered that it would be naive to believe that there weren't any.

9583

CS0: 3639/71

FOREIGNERS FORM IMPORTANT GOODS, SERVICES MARKET

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 4 Feb 84 p 1

[Text] Bonn--According to the Federal representative for foreigners' issues, Liselotte Funcke, industry and trade no longer consider foreigners to be only employees but increasingly regard them as important customers. As she explained in Bonn, the importance of this market, for instance, becomes apparent in a recent poll about purchases of electrical appliances conducted by the Offenbach Marplan Institute, according to which Turks, Greeks, Yugoslavs, Italians and Spaniards in 1 year bought about 540,000 radios, 420,000 television sets, 240,000 refrigerators and 220,000 washing machines. Liselotte Funcke also submitted an analysis showing, by using the example of the City of Duesseldorf, what negative economic and social effects are caused when 75 percent of foreign residents leave a city. About 400 teaching positions and almost half of the kindergartens, for example, became superfluous.

At present, according to Liselotte Funcke, there are 4.53 million foreigners in the Federal Republic, including 1.14 million children under 16. Sixty-three percent of all foreigners have already lived 8 years or longer in the Federal Republic. Of the about 2 million working people among the foreigners, not quite 300,000 are unemployed. While in 1983 average unemployment in the Federal Republic was about 9.1 percent, average unemployment among foreigners was 14.7 percent.

8790

CSO: 3620/172

ISLAMIC RELIGIOUS INSTRUCTION IN BERLIN SCHOOLS

West Berlin TAGESZEITUNG in German 7 Feb 84 p 16

[Report by "GiH": "State-Supported Instruction?"]

[Excerpts] Henceforth the Turkish Consulate General will see to it that Islamic religious instruction is offered in German schools. This is the result of an agreement between [Berlin] School Senator Laurien and the consulate general aimed at putting an end to a controversy about Islamic instruction which has lasted for years.

In addition to instruction in the mother tongue which it has already organized, the Turkish Consulate General now will offer Turkish children attending German schools 2 hours a week of "religious and religious-moral instruction based on Islam." The instruction will be subsidized by the Land of Berlin.

According to School Board Director Koch, this arrangement solves the problem of Turkish children entitled to religious instruction who have been up to now relegated to instruction in Koran schools. Koch does not think there is a danger of indoctrination inspired by the Turkish military dictatorship. So far there have been no problems or complaints in connection with Turkish-language instruction, he says. Moreover, he was glad that the board bore "no responsibility" for the religious instruction. Further, it was being offered only on a voluntary basis, with "the Turkish parents having to decide whether they want the children to participate."

There is one problem that cannot be solved through religious instruction, according to [Teachers Union spokesman] Cihar. He says attendance at the Koran schools is only partly connected with religious motives. A large part of Turkish parents send their children there to guard against alienation from their own culture and to offer opposition to this alienation and part of them do so because their children will receive supervision in the Koran schools.

As far as these groups are concerned, Cinar calls for the mother tongue to become the first language of foreign children in German schools and for greater consideration of Turkish cultural characteristics.

FOREIGNERS' SCHOOL PERFORMANCE UP SHARPLY

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 9 Feb 84 p 4

[Report by Karsten Plog: "More and More Foreign Children Manage To Finish School--Hamburg School Senator Draws Positive Balance Sheet"]

[Text] Hamburg, 8 February--More and more foreign students are managing to finish Hauptschule [extended elementary school, classes five to nine] in Hamburg, according to a report by Hamburg School Senator Joist Grolle, SPD, delivered in Hamburg, in which the senator spoke of "a remarkably positive trend" demonstrating that there was now a chance of gradually solving the problem of integrating foreign children in the Federal Republic.

According to the figures submitted by Grolle, last year a total of 64 percent of foreign children attending Hauptschule also managed to graduate. Three years ago the total was only 50.3 percent. A crucial role is played by the duration of school attendance in the Federal Republic, for among foreign children attending a German Hauptschule for 9 or more years as many as 84 percent managed to graduate. According to Grolle, "this represents a remarkable success of educational policy efforts aimed at school integration of foreign children if one compares the figure with the total of 88 percent of German Hauptschule graduates with their more favorable starting positions."

The figures also show that foreign children to an increasing extent transfer to advanced schooling. The number of classes attended only by foreign children has dropped from 110 to 64 in 1981.

Grolle also said that the trend in training places was a positive one. Three years ago only 33.8 percent of foreign applicants secured a training place, while last year the total was 59.2 percent. Foreign children continue to be particularly affected by the adverse situation in this area, for among German juveniles only 5.6 percent failed to secure an apprenticeship.

8790

CSO: 3620/172

BRIEFS

MORE YOUNG FOREIGNERS--Whereas not quite 21 percent of FRG citizens are under 18, 32 percent of foreigners living in the Federal Republic are younger than 18. According to a report by the Federal Statistical Office in Weisbaden which has just been issued, there are considerable differences in age structure between the Federal German and the foreign population. Of the about 4.7 million foreigners registered in 1982, 65 percent ranged in age from 18 to 65 and only 3 percent were older than 65. Among Federal Germans on the other hand, 63 percent ranged from 18 to 65 and 16 percent were older. [Text] [Frankfurt/Main FRANKFURTER RUNDSCHAU in German 4 Feb 84 p 1] 8790

CSO: 3620/172

SORSA HOPES TO REMAIN IN POWER UNTIL NEXT ELECTIONS

Helsinki HELSINGIN SANOMAT in Finnish 17 Feb 84 p 9

[Text] Led by Prime Minister Kalevi Sorsa for 4 years now, the government is trying to go on functioning until the end of its elected term. After the government's internal airing of the matter on Thursday, Sorsa said that not a single government party had proposed any other objectives than for the government to remain in power throughout its entire term.

At a conference held in Parliament the four government parties: the SDP [Social Democratic Party], Center Party, Swedish People's Party and Rural Party, agreed to continue to cooperate with one another and to jointly resolve the controversial issues and problems that have piled up on the government's desk.

According to Sorsa, the party chairmen and secretaries "in complete mutual understanding" agreed to go ahead and resolve their differences in a group composed of the party secretaries.

The party secretaries primarily deliberated as to how and in what organs the different issues would be resolved and how, as necessary, government party chairmen or ministers would participate in the work of the party secretary group. The group of secretaries will not itself try to reach agreement on the substantive aspects of solutions to these problems.

According to Sorsa, the most pressing issues will be discussed first; these are the revision of unemployment safeguards in connection with a labor agreement and the funding of surplus grain exports. The most pressing issue for the Center Party is probably continuation of the home care subsidy and agreement on the legal content of the provisions for it.

In the Center Party it has frequently been noted that the distribution of surplus home care subsidy funds is a critical issue for it.

After the Thursday conference Sorsa emphasized that any specific labor agreement must not be allowed to cause the government to fall victim to internal differences. The government must be capable of making decisions as labor negotiations progress.

The party secretary group will meet for the first time on Monday.

The government's ministerial committee on social policy will meet on Friday, at which time they will continue discussions on the reform of unemployment safeguards.

Sorsa thinks that they will be able to reach final decisions on unemployment safeguards at the political level if the ministerial committee cannot come up with decisions.

"Excellent Spirit"

In the prime minister's opinion, an excellent spirit pervaded the airing of views at the Thursday meeting. Government party leaders had soup and steak, drank coffee after that and at the same time agreed on how to go ahead and resolve their problems. They did not begin to discuss in detail the essential aspects of controversial issues or the lists of demands presented by the Center Party and the SDP at that conference.

The government party conference was, according to Sorsa, a necessary one because issues that have not been resolved have been piling up in the government. This was why differences had arisen. Sorsa remarked that the situation was in no way unique.

The controversies that have worsened the atmosphere in the government were not completely eliminated at the Thursday conference. The problems have now been submitted to the scrutiny of the party secretaries and in the course of the next few weeks it will become clearer whether the government is capable of really agreeing on all the unsettled issues in a way that is satisfactory to each party.

For example, the fact that there is a nonsocialist majority in the government, an issue raised by the Center Party, was not discussed at all at the Thursday conference and that should also appear in the government's decisions.

Sorsa Surprised

Prime Minister Sorsa said that he was surprised that they were confronted with the threat of a strike during the labor negotiations since the atmosphere during those negotiations was favorable and the differences appeared to be such "that the negotiators empowered to make decisions should have been able to resolve them."

According to Sorsa, the government was prepared to appoint a wage policy official or arbitrator, but the labor organizations did not yet want one.

Sorsa noted that, if a conflict arises in the labor market, the government will no longer be able to wait in resolving the issue.

11,466

CSO: 3617/96

'ATLANTIST,' THIRD-WORLD FACETS OF FOREIGN POLICY

Paris POLITIQUE ETRANGERE in French 4th Quarter 83 pp 879-900

[Article by Paul-Marie de La Gorce]

[Text] It may very well be improper to judge any foreign policy after only 2½ years. Still, President François Mitterrand has now been in office for more than a third of his term, and while it is not yet possible to arrive at a complete appraisal, his initiatives, his reactions to events that occurred since he came to power, the attitudes he adopted with regard to the major international issues, do serve as evidence of choices, orientations and results. This is what I am going to try to do here, though I admit in advance that the turn of events may well oblige me to revise certain judgments, because the subject matter is both complex and controversial.

Actually French foreign policy was redefined from the very first weeks of the new administration, and a shift away from former options was immediately apparent. Abandoning earlier reservations, the new government publicly advocated the deployment of American euromissiles in Europe. It stated repeatedly that France would not recognize the Pnom Penh regime and, at the same time, refused to acknowledge the representative nature of the former Khmer Rouge Government, even in its new guise. It reiterated French condemnation of Soviet intervention in Afghanistan and added even more severe emphases. Simultaneously spectacular proposals pointed up the choice made in favor of close links with Algeria--considered symbolic of the new kind of relations between France and the Third World--, and it opted for strict neutrality in the Saharan affair: Together with India and Mexico, Algeria was to be one of the three pillars around which French policy toward the Third World would be arranged.

The Ottawa Summit in mid-July 1981 was the occasion for more precisely defining this reorientation. Beginning with this first meeting, French foreign policy showed its interest in the establishment of a new international economic order--albeit the actual formula dated back to Valéry Giscard d'Estaing's earliest initiatives with a view to a North-South conference--, but it also realized that this proposal would meet with the objections, reservations and even hostility of the United States, generally backed by the other Western countries. Some Franco-American differences arose when Paris condemned the Israeli bombing of Beirut more sharply than Washington. Nevertheless, Ottawa was above all the occasion for underlining the basic identity of French and U.S. views on East-West relations. Several decisions were made with regard to the reactivation of COCOM. In connection with the Ottawa Summit, Claude Cheysson also delivered a major statement, announcing "that there could be no normal

Franco-USSR relations" until the Afghanistan affair was settled. It was officially indicated that this referred to possible Franco-Soviet "summits"--quite frequent since General de Gaulle's trip to Moscow in 1966--and, since nothing suggested an early settlement of the Afghan problem, the French minister's words had to be interpreted as the announcement of a prolonged freeze of Franco-Soviet political relations.

Almost at the same time another international conference served to demonstrate the reorientation of French foreign policy regarding an issue in which it had up to then maintained a leading role: The Mideast. Following a French initiative the first time François Mitterrand represented France at a meeting of Community heads of state and government, an end was made of the "European approach" that had issued from the "Venice Declaration"; both of these had largely been the result of French diplomatic activities among the other European governments. This sharp check, noted at the time rather more by specialists than by public opinion, was all the more significant as the Bloch-Laine Commission on the results of the preceding administration had pronounced itself as approving the fact that France had led its partners in the Community toward a common policy in the Mideast involving the right to independence and security of all the countries in the region (including Israel) and the right of the Palestinian people to self-determination inclusive of the possibility of setting up their own state. For the rest, at his first press conference in the Elysee and in contrast to the opinions stated by his predecessor, President Mitterrand expressed his doubt that it would be possible to arrive at a general settlement of the Israel-Arab crisis. On the other hand, he also at the very moment did not shrink from evoking the prospect of a Palestinian state as something necessary and desirable, although he hesitated to be specific about its location.

The debate on the new orientations of French foreign policy thus began only a few weeks from the date the new president of the republic assumed his office. Ever since September 1981, I thought I could sum them up under deliberately simplified headings by titling a FIGARO editorial "Atlantist and Third World Emphases." The champions of the government objected to my considering "Atlantist" a policy aimed only at the expression of a clear opposition to some Soviet ventures, without bothering to ascertain common points of interest between France and the United States. By contrast the opposition generally watched only for the slightest sign of a French drift from the Western world due to the presumed influence of the Communist ministers or the allegedly "anti-American" attitudes of a section of the Socialist Party. Still, nobody could long maintain any doubt about the inevitable consequences of the freeze of Franco-Soviet political relations and the rapprochement of French and American views with regard to many issues and, above all, East-West relations. In fact it got to be almost trite to speak of the "Atlantic bias" of the new French foreign policy. Nevertheless it was quite possible to question the extent of the new administration's "Third World bias": While relations with the North African Arab countries appeared to indicate satisfactory progress, and those with the Black African countries remained at the highest level (as demonstrated in the first Franco-African Conference in Paris, presided over by François Mitterrand), the new uncertainties regarding Mideast policy aroused a disquiet not present before. Overall, and despite a moderate increase in loans for cooperative purposes, was there actually any more effective "Third World bias" in this government than in the preceding one?

Each new event fueled this debate. In his speech in Mexico and the attitudes adopted at Cancun, President Mitterrand resoundingly and with much talent reaffirmed his intention to promote entirely new kinds of relations between industrial countries and the underdeveloped Third World and to give France an image corresponding to its declared vocation. The dialogue begun with Nicaragua and the sale of some French weapons to that country demonstrated that France contemplated cooperating with governments of all stripes and was opposed to outside attempts at overthrowing them with a view to ending ongoing "revolutions": That, though, was just the traditional attitude of French foreign policy, merely reaffirmed with greater vigor. It was also emphasized that the civil war in Salvador had to be settled by political means, not by crushing the popular uprising: The preceding government had taken the same view. In general, though, Mexico and Cancun brought about few practical results, and few opportunities arise in 1981-1982 to confirm the French Government's alleged "Third World bias."

At their second meeting in Yorktown, on the other hand, Presidents Mitterrand and Reagan pursued various contacts that were definitely closer and more numerous than at any time previously. We know it was on this occasion that the French and Americans consulted with one another on the Chad business, with a view to getting the Chadian forces to withdraw, and this in fact happened shortly thereafter: Later events showed that this Franco-American accord was not devoid of ambiguities nor of serious consequences. Anyway, the "Atlantic bias" of French foreign policy did not cease to increase in that period of time, the Polish affair providing a new opportunity. Despite the fact that the Soviet Army had not directly intervened, France accused the Soviet authorities and coordinated its reactions totally with the NATO member countries, though checking any push for economic sanctions. It accepted Spain's accession to NATO. In spite of almost unanimous Third World opposition (these countries considering it merely a decolonizing incident), it definitely upheld the British position in the Falkland affair, joined in sanctions against Argentina and, later, refused even to vote for a UN motion asking for negotiations to be resumed, because--in its view--the motion called too unilaterally for British concessions. As for the always sensitive Mideast region, France condemned the Israeli bombing of Tamuz but, though its industrial and technological cooperation with the Arab countries was put at risk and one of its nationals killed, opposed sanctions against Israel. It also condemned the annexation of the Golan Heights but still continued to oppose sanctions. While it was noted that, on the occasion of his visit to Jerusalem, President Mitterrand took pains to mention the right of the Palestinians to a state of their own at the tribune of the Knesset itself, his trip was nevertheless considered an indisputable sign of reconciliation with Israel. This evolution culminated in Versailles, where the Western summit met in early June 1982. The outcome of this meeting was almost entirely negative with regard to any coordination of economic policies; on the other hand it witnessed a growing harmonization of foreign policies to the point that, among the splendid receptions, entertainments and festivities, one got the impression of watching the rebirth of the Western "Bloc." Everything seemed to confirm Maurice Couve de Murville's assertion in a parliamentary debate of the new administration's "systematic anti-Sovietism and out-and-out Atlantic bias."

The very day the Versailles Conference ended, war broke out again in the Mideast. This proved to be the point of departure of what seemed to many like a new phase in French foreign policy. Without any doubt, and despite the precautions taken in

Paris to present an image of prudence, it differed radically from U.S. policy that, directly or indirectly, backed the actions of the Begin Government at every stage of the war.

The French Government meant not only to condemn the Israeli initiative but to seize the opportunity offering itself for the settlement of all the Mideastern crises to advance. To that end it endeavored to rally the larger part of the international community to some basic principles. The emotions aroused by the Israeli aggression and the tragedy of Beirut contributed to a new awareness of the need to settle the conflict: The European countries thus once more found themselves in agreement about the dual acknowledgment of the right to exist of the states in the region and the definite right of the Palestinians to self-determination and the establishment of a state of their own. French diplomacy quite skilfully managed to join with Egypt in submitting a motion to that effect to the office of the Security Council: This initiated a rapprochement between President Mubarak's Egypt and the other Arab countries. The U.S. veto went against it. At least this proved that on this occasion French foreign policy was able to demonstrate its independence, vigor and cohesion. It remained to it to act so as to save the leaders and combatants of the PLO, compelled to leave Beirut: France did so energetically and with some success.

The withdrawal of the French forces, responsible for watching over the departure of the Palestinians, was explained by the precipitous exit of the American contingent: The massacres of Sabra and Chatila, happening immediately thereafter, tragically underlined the disadvantages of this somewhat hasty falling in line. At least President Mitterrand's response was prompt: A French force returned to Beirut to prevent a similar tragedy from reoccurring. French foreign policy had been in general conformity with the legacy of earlier governments and the image the new government wished to present--by its attachment to undeniable principles firmly restated and without yielding to the law of the link between forces and military victories.

At the same time another occasion arose for demonstrating the French leaders' proclaimed concern for independence. The contract for the construction of the Siberian natural gas pipeline was at long last signed--after long and wearisome negotiations; this gas line will supply several West European countries, including France. Negotiations had begun when Raymond Barre was minister of foreign trade, and he was still resolutely in favor of the project: Indeed he showed a good deal of courage now, objecting to the attitude of the majority of the opposition (who called for the contract not to be signed) and maintaining that signature was in the best interest of France. This was also the view of the Government, and Jean-Pierre Chevènement, minister of research and industry, obtained the President's unswerving support in this matter. The Americans exerted vigorous pressure to the contrary effect but were checkmated by France. All this led people to believe that, except for some needed new emphases and methods, the government was returning to the independent stance France had adopted and preserved since General de Gaulle's times at the Elysee. Subsequent events showed that this was only one phase among others of a foreign policy that was definitely more complex.

This was first obvious with regard to the Mideast. During the crucial period from the aftermath of the war in Lebanon to the shattering of the PLO, the French maintained that the American peace initiative should not be hampered under any circumstances, and that Europe needed to back and facilitate these efforts by keeping out.

These were the words used repeatedly by the spokesmen of the Community's Council of Ministers of Foreign Affairs, including Claude Cheysson himself. A paradoxical prudence--the principles cited by the Europeans for a peace settlement in the Mideast were actually the opposite of those that inspired U.S. diplomacy. While the Europeans affirmed the right of the Palestinians to self-determination and the establishment of their own state, the other side passed over the concept of self-determination in silence and formally excluded any prospect of a Palestinian state. Anyway, French foreign policy stayed aloof in the months when, without anybody paying much attention, the authority of the PLO leadership and the future of Palestinian resistance were at stake.

While aloofness governed French actions in the Mideast, France's attitude in the matter of the Euromissiles became more dogmatic and strident. Propelled by a kind of internal logic that should have been foreseen, President Mitterrand's backing for the deployment of Pershing II and Cruise missiles in Europe was the point of departure for a broad French engagement in a debate that did not concern France directly but assumed an indisputable importance in international relations. We are all familiar with the reasons cited to justify this French intervention. It was alleged to be necessary to reestablish an equilibrium in Europe, because the imbalance due to the USSR's superiority in conventional weapons and enhanced by the deployment of the Soviet SS-20 posed a threat to the security of the Continent, and France could not remain indifferent. The President of the Republic therefore did not spare his efforts. He appointed himself the advocate of the deployment of U.S. missiles wherever they were going to be placed, to the point where it is no exaggeration to say that, among the European heads of state or government, he was the champion of champions for the emplacement of Pershing II and Cruise missiles.

The opposite might have been expected for several reasons. For its part, France did not choose to accommodate U.S. euromissiles on its soil though advocating their deployment in the other countries, and this alone makes the French attitude appear rather odd; indeed it may be said to be quite ironic. Intermediate range nuclear missiles are the potential tool of a strategy not adopted by France: Our country properly sticks to defense by nuclear deterrence, while the euromissiles fit in with the armory of a nuclear war since they are--by definition--weapons of retaliation; there is surely some inconsistency in championing an arsenal that serves a strategy one does not uphold and in which one does not want to be involved. Moreover, it is dangerous for us to appear to subscribe to an East-West balance as if we were fully committed to it, while at the same time (and properly) claiming that the French nuclear force should definitely be considered a national force and exclusively deterrent, part of a "central system" and--by its very nature--different from intermediate range nuclear weapons: It was quite evident that such a contradiction was risky, and it did not take long for it to reveal its unfortunate consequences.

Exactly as should have been foreseen, the French positions--insistent and reiterated--brought about new Soviet proposals, demanding that French and British nuclear warheads be taken into account when deciding the numbers of SS-20 euromissiles allowed the USSR. This time the danger was that, if an agreement came to pass taking into account the French deterrent, France would be unable to increase it even to maintain credibility, without the agreement itself being called in question, and that France would then be accused of threatening the equilibrium defined in the understanding between the superpowers. French foreign policy had always kept this danger

in mind: It cannot in fact be warded off except by the affirmation of the French deterrent's complete independence and, consequently, by sidestepping any risk of being involved in the total of the forces lined up. Up to now this attitude had been strictly maintained. Admittedly, in the Geneva negotiations the Soviets had sometimes referred to the French and British nuclear weapons, but they had done so merely to reinforce their arguments, neither intending it to influence an eventual agreement nor--above all--Franco-Soviet relations. In 1980, for example, Chancellor Schmidt broached the topic of French and British nuclear weapons with Leonid Brezhnev but was told that their existence would definitely not obstruct the progress nor the possible outcome of Soviet-American discussions on intermediate range nuclear weapons.

The French commitment in the matter of the euromissiles thus stands revealed as a questionable dialectic, risking at one and the same time the traditional positions of French diplomacy, the independence of the national deterrent--threatened ever since--, relations with the United States (expected to rule out this threat though it had never looked kindly on this French strategy) and relations with the Soviet Union (become--indirectly--the enemy of French strategic independence though it had always acknowledged its logic and importance for the political independence of France).

The development thus initiated and pursued seemed to have run its course by the time the Williamsburg Summit took place. It is useless to dwell on that meeting's poor economic results: What mattered were the political and strategic conclusions. A "statement on security by the seven" affirmed that "the security of our countries is indivisible and must be considered on a worldwide basis," and the complementary nature--indeed fundamental strategic unity--of the signatory countries was proclaimed, though France had until then tirelessly defended its strategic independence and underlined the nonconformity of its defense doctrine relative to NATO. Moreover, the concept of the worldwide extension of Western defense evidently involved common attitudes with regard to political issues and also economic problems, for example trade relations with the Soviet Union. Finally, the document was also signed by Japan, and--in conformity with American wishes--this act consecrated a kind of political and strategic unity of the European and Far Eastern regions, both of them essentially depending on U.S. political and strategic choices.

Semi-official explanations suggested in vain that the French delegation had obtained important amendments to the text initially proposed by President Reagan: The final document was all too revealing. French foreign policy definitely appeared to have committed itself to an Atlantist line as orthodox as possible given the diplomatic and military legacy it had received. Like a symbolic gesture, the subsequent expulsion of Soviet diplomats accredited to Paris--quite unprecedented in the history of French-Soviet relations--indicated that a page of French foreign political history had been turned.

In the months following, France entered a phase where the risks of new shifts opposed the wish to maintain this policy in the framework defined at its beginning. Three examples serve to illustrate this assertion: Events in Chad, the Gulf and Lebanon.

It is common knowledge that, after having suggested to President Goukouni Oueddeye the need to press for the withdrawal of Libyan forces and their eventual departure,

the French Government either could not or would not help him when the forces of Hissein Habre, reorganized and rearmed in Sudan with U.S. approval and aid, returned to storm N'Djamena. And yet it might be assumed that this represented outside interference in the Chadian civil war: France granted no more than symbolic assistance to the Chadian Government although it did consider it legitimate. The following year, by contrast, having first provided material aid to the Hissein Habre regime--threatened by an offensive by the erstwhile followers of GUNT /Transitional National Union Government/--, it cited increased Libyan aid (formerly considered "non proven") to send an expeditionary force to the spot. We all know that this led to a dispute between Washington and Paris; the United States claiming that the French ought to have responded earlier and by every means at their disposal, while France explained that it had not wished to intervene except in the face of foreign interference and wanted only to create a balance favorable to negotiations between Chadians. In fact the dispute ended quickly: French intervention had saved the Hissein Habre regime. The risk (actually quite foreseeable) was for France thus being engaged not only against a strong Chadian opposition but also against Libya and its potential allies. This was certainly the expectation of American foreign policy--deeply attached to confrontation with Colonel Qadhafi. Of course we may hope that French intervention served to substitute negotiation for confrontation, but we are bound to fear a contrary shift. Nothing indicates that negotiations are near, and the revolt of the southern provinces of Chad, joining with the secession of the northern provinces, bears witness to the weak authority of Hissein Habre's regime and threatens the situation of our expeditionary force.

A similar downhill slide threatens France in the conflict on the Gulf. The arrival in France of Bani Sadr, former president of the Iranian Republic, triggered a formidable chain of events. Resolved to welcome Bani Sadr by virtue of the right to asylum of political exiles--recognized by France--, the Government feared the Iranian response and imagined that it might take a similar form to the hostage crisis at the American Embassy. In actual fact Franco-Iranian relations were totally unlike those the Islamic regime in its early stages had had with the American "great Satan." It would therefore have been quite possible to envision other solutions and hypotheses but, for reasons of prudence no doubt, the French Government preferred to repatriate French nationals and empty the embassy at Tehran. The Iranian authorities saw this as a kind of break in diplomatic relations, aggravated by the activities of its opponents on French soil. Sliding down this slippery slope, French foreign policy upgraded relations with Iraq, including the delivery of French weapons and, upon the suggestion of Paris, ending with the affair of the Super Etendards taken from the Naval Air Force and sold (with a promise of repurchase) to the Iraqi Air Force. France promptly assumed the guise of the enemy not only of Iran but of the communities inspired by the example of the Iranian Islamic revolution: While possible new difficulties were expected in the Gulf, it was in fact the reactions and emotions of the Shi'ite community in Lebanon that brought about dramatic consequences.

Because it was in Lebanon that other shifts threatened. Even if nothing had cast doubt on the wisdom of the French contingent's return to Beirut after the massacres of Sabra and Chatila, the fact remains that it was able only partially to fulfill its mission: Though intended to be a force for intervention, it was unable to in fact intervene between the opposing movements once they clashed; charged with helping to set up the National Lebanese Army, it could not devote itself to that task because the United States had preempted it. The consequences became obvious only

at the time of the September conflicts: While confined to their positions, the French forces were not sheltered from the exchange of blows, and those they suffered--whether the result of mistakes, provocation or deliberate attack--called for a counterattack. The latter, unfortunately, ran the risk of committing them to one camp against the other--that is in practice to the Gemayel Government, the Phalangists who were its only supporters, Israel--ally of the Phalangists--, and the United States. I appreciate the prudence and calm shown by the French Government and the fact that it did not order more than one counterattack. Still, after having barely escaped disaster, the risk remained. This was soon evident when a French barracks was attacked and discussions and debates erupted about its origins. Here we must point to the concurrent risks of the French presence in Lebanon and its indirect involvement in the Gulf war. The reactions of the Lebanese Shi'ite community, involved in the Israeli-Arab conflict and worried by the war between Iraq and Iran, dramatically and in concrete form pointed up these hazards. The French reprisal raid on Ba'albek tragically illustrated the web in which we were caught: It entirely contradicted the political and moral stance long adopted by France, and which had always condemned (once again only a week earlier) the actions carried out by Israel; moreover, it helped mobilize a large section of the Lebanese against France. Maurice Couve de Murville called this "the Ba'albek error"; he and Raymond Barre were the only member of the opposition to censure it.

A French foreign policy, shut off from a dialogue with the East, mobilizing Europe in favor of U.S. euromissiles, going in Williamsburg to the utmost ends of political and strategic integration in the Bloc controlled by the United States, risking at any moment to be embroiled militarily in Africa and the Mideast: Is that the image we need to remember? Certainly not. Soon various events occurring after those I just mentioned, allowed us to arrive at a very different assessment. On 20 September, Prime Minister Pierre Mauroy, addressing the Institute of Advanced National Defense Studies, took a view almost diametrically opposed to the Williamsburg Declaration, denying any "globalization" of the Western attitude to the Soviet Union, any geographic extension of the framework of the Atlantic Alliance and "a strictly East-West interpretation of all conflicts." Nobody could possibly have more clearly said the opposite of that which had been suggested and even proclaimed at the last "Western Summit." Later on, during the crisis of the Palestinian Resistance, we were able to verify that French foreign policy clung to the principles it had defended with respect to the settlement of the Israeli-Palestinian conflict. While Washington--discreetly but unmistakably--rejoiced about the PLO's disintegration, French diplomacy reiterated that a united and authentic representation of the Palestinian people was an indispensable condition for any political settlement and lavished efforts on saving the PLO leadership and facilitating the necessary compromises. While we may regret its inaction in the preceding months, we cannot dispute the import of the steps it then took. Lastly, the American Army's invasion of Grenada again raised the question of the French attitude to the United States. And the response was very clear indeed. Exactly as General de Gaulle had censured the American invasion of the Dominican Republic in 1965, the French Government condemned the invasion of Grenada, for the same reasons and in the same terms.

In several instances, therefore, the "Atlantic bias," of which the French Government had given so many obvious signs for 2 years, did not go so far as to disarm its independence of judgment and freedom of expression. According to some this demonstrates the wish to maintain the equilibrium, according to others the government's attitude is full of contradictions. Yet others see it as the belated testimony to

an independence that had become compromised little by little, or as the precursor of a correction bound to happen sooner or later...How are we to decide between these possible interpretations?

As we have seen, a study of French foreign policy arouses more questions than it provides answers. The conclusions to be drawn are therefore necessarily provisional and reversible. The shift of French foreign policy toward the so-called "Atlantic bias" appears indisputable: We have cited too many examples. Nevertheless it is being disputed by those who conduct it and are responsible for it, and who invoke the need to respond to international tensions and the alleged defense imbalance. Without being able to agree with them, we must take note of their objections: A sign that, for at least some of them, this Atlantic bias is not something deliberate and chosen but rather dictated by circumstances or, possibly to some extent, by French economic vulnerability, and that it might be reversed some day in different circumstances. On the other hand, after more than 2 years' experience we may take it for granted that no "Third World bias" in the best sense of that term is possible, nor any independent action for the benefit of the Third World in our relations with it or for conducting it to greater independence, unless French independence within the East-West system is guaranteed and proclaimed at the same time--with all that implies regarding our specific dialogue with the United States and the Soviet Union. Indeed, independence is the precondition for the activism desired vis-a-vis the Third World, but it is not enough just to talk about it--it must be practiced and that, precisely, excludes any "Atlantic bias."

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PASOK, ND LEADERS ACCUSED OF POLITICAL POLARIZATION

Athens I KATHIMERINI in Greek 19-20 Feb 84 p 5

[Article by Khristos Karanikas]

[Text] Prime Minister A. Papandreou and the leader of the official opposition, New Democracy President E. Averof, share the responsibilities for the poor functioning of the democratic institutions and polarization of our political life. To many people, they appear to have a similar perception of the way democracy functions, both of them placing their personal way of thinking above all, irregardless of the repercussions which their political actions have on the country. The former gives the impression that he despises the parliamentary system, having reduced all the democratic processes in his party to a monologue by the leader. The latter could not offer the tone for the political life, an element which is indispensable and life-giving for parliamentary democracy and always emanates from the official opposition.

The effort of the two is clear, and aims at shrinking the political life to a form of personal confrontation between them. The few variations probably are presented for variety, perhaps because they understand that they have begun to grow tiresome in this role. Somewhere there follows KKE, taking the role of third party, covering, but also filling, the gaps left by the other two. Personal confrontation also covers other needs because Mr. Papandreou and Mr. Averof are trying to maintain a political climate of polarization, but with the two of them directing it and thus justifying in this "struggle" of theirs any deviations from democratic functioning within their parties.

The target of the two top leaders in our parliamentary republic is the same: For the whole political life to rest on their personal oppositions. As the political climate is becoming more acute, they are hoping that everyone will coalesce around their persons, when, in the end, the political life will have degenerated into watching their personal rivalry. This dualistic perception allows each leader to turn his own into the good while presenting the adversary as evil, thus restricting the pendulum's movement between these two poles. Psychologically, this tactic helps in developing fanaticism, something which is happening even with the answers given by the government spokesman to the leader of the official opposition. In such cases the government shows, at the least, contempt towards the constitution and democratic institutions, but to the Right it promotes Mr. Averof as the good one.

On the other hand, the black-and-white tactic is the best pretext for everyone to submit to the leader's will within their parties. The argument is as old as religious fanaticism. "When the enemy, the 'evil one' in religious doctrines, is approaching, do you ask for luxuries?" Thus the PASOK president believes he is justified in speaking to the organizational committee of the party congress "about everything known to him and anybody else," without letting anyone else take the floor because "the Right is advancing." The assault of the enemy is the terror used to restrain every democratic voice in their parties, but also their own release for any "rambling about," either phrasal or practical.

The roles which the two leaders are trying to assume are the same; only they have not evaluated if they are playing them well enough, because the theater was born in this country and the spectators do not simply have demands, they have knowledge and they judge. Reminding one of a sun-king, the two repeat, "After me, chaos" without either of them asking to learn if the opinion which they themselves have about chaos is the same as the opinion held by the simple people. This tactic reveals that they have forgotten the lessons of world and, even more, Greek history. This demagogic slogan did not save, in recent history, De Gualle and in Greece the tradition is for even able leaders to be "ostracized."

What particularly offends the Greek's pride is the contempt toward democratic procedures within their parties. For many people this is a "predeterminant" for the two leaders' whole political behavior. Of course, it is of little and secondary importance that in New Democracy its president, like the previous one, G. Rallis, was elected with democratic procedures--in fact, when will this happen in PASOK? The daily political practice, and avoidance of lively and spontaneous democratic dialogue in the two parties has significance. The movement of ideas, their renewal, derives only from the leader, the inspired one, charismatic or not, whom the others, the many, are obliged to follow because otherwise they are in danger of being called "traitors."

This tactic disregards one other element which is determinative of our current political life. The 48-percent majority which he received in the last elections did not mean that one in every two Greeks became an adherent or attendant of Mr. Papandreou. It was a vote of tolerance--that is, it had a negative meaning, containing simultaneously the dimension of criticism; at every step tough and many-sided criticism would occur as once in the marketplace, so now in the coffee-house. For this reason, people insisted on the vote of tolerance, as they also persist in their demand for respect for the democratic dialogue and parliamentary institutions. The popularism in which the prime minister takes such delight is probably a road with no return and with unexpected repercussions for the country; this should sometimes be recognized more at Kastri.

On the other hand, one-third of the people who voted for New Democracy pursued at the same time the maintenance of democratic institutions. They also considered the official opposition--and they consider it far more today--the judge and pillar of the constitution. Because if the government can be carried away by the exercising of power and proceed to abuse it, then the opposition exists, particularly the official opposition, to restrain it. It could be maintained that ND fulfills this role with much difficulty, or, even more, the opposite. It drags the political life more toward polarization, following the government and pushing a whole faction

to positions which were never supported after the dictatorship by the extreme-right in our country which never had, and does not have today, popular support.

Cut Off From Our Time

The tactic of polarization which the two leaders follow so "gladly" reveals one other wrinkle of our political life: The inability of the two great party formations to adapt to post-dictatorial conditions--together, of course, with KKE which follows, however, its same old road of religious devotion to the Mecca of communism. Despite the fact that PASOK and ND were formed after 1974, they quickly showed their endogenous weaknesses. PASOK as a government not only confirmed the fears of its popularistic amputation from the people, but also it does whatever it can to provoke the centrists and democratic leftists, those who made it the official opposition in 1977 and brought it to power in 1981.

In the official opposition, the tradition and tone of the political physiognomy given by the current president of the republic, K. Karamanlis, is being neglected, almost systematically. In practice, the pendulum is moving from the traditional right of the first post-war season to the neo-liberals and the innovators as a uniform tendency. The former, turning again to the "old" good values, with their offshoots to extreme rightists whom Mr. Karamanlis had always kept at a safe distance, have more the image of the savior of mankind. Something like this is exuded by the sudden explosions of anti-communism in the Chamber or the transformation of certain others. The other tendency uneasily copies the foreign-born models of PASOK, in the form of neo-liberalism, without specifically informing the people in what countries this phenomenon appears and what its transplantation means for our country. The meaning of economic freedom which they espouse is accompanied by the loss of political democracy when there is no productive substructure to support it, although, even in the United States and Germany where neo-conservatism is blossoming--because we are talking about the same phenomenon--it is being abandoned under the relentless bankruptcy of the industrial way of life. Other quests, far from the hunt having a productive, capitalist or communist form, have a greater significance and direct interest for our country.

These quests for another quality of life, for the acquisition and preservation of political freedom and the possibility of the individual's personal choice in all fields of his life, are of more interest to the country today. Furthermore, the people's refusal to accept polarization and lead the country to disunion has many interpretations. The closest to reality is that which maintains that this withdrawal from polarizing preachings is owing to the Greek people's political maturity and the derivation of its precepts from post-war history. Thirty years of economic development led to the destruction of Athens, the cloud of the YKhOP [Ministry of Physical Planning, Housing and Environment] ministers and the inability of the Right and the Left to suggest solutions. The party formations brought visions from the East or West and cast food to the masses--it is not accidental that they used the word mass, because this interpreted their thinking precisely. Somewhere underneath, however, some other forces, unformed and without specific plans, have begun to move, in a first phase with the people's refusal to accept foreign models, and later...time will tell.

CONTINUED AUSTERITY POLICY CREATING STRAINS IN COALITION

Helsinki HELSINGIN SANOMAT in Finnish 18 Feb 84 p 31

[Article by Marjatta Isberg: "Inflation Checked in Iceland; Purchasing Power of Wages Drops by a Third"]

[Text] Reykjavik—When the government headed by Steingrímur Hermannsson assumed office in Iceland last May, the annual rate of inflation was 130 percent. The Center-Right government decided to make a "lightning attack" on inflation. Its first tasks involved the elimination of wage hikes tied to the [cost of living] index with the aid of a special decree; in this way they made an effort to halt the interaction between wages and prices.

Prices have, nevertheless, continued to rise. Economic experts estimate that the purchasing power of wages dropped last year by about 32 percent. They estimate that a minimum of from 13,000 to 14,000 kronur (2,600-2,800 markkas) a month is needed to make ends meet. However, the minimum wage in Iceland is under 11,000 kronur (2,200 markkas).

When the purchasing power of wages weakened, the anticipated chain reaction was triggered: The demand for so-called luxury items dropped. Car sales slackened almost entirely. And since the bulk of government revenues is composed of indirect taxes, the treasury was left empty.

The ministers who drafted the budget had to rack their brains more than usual. Construction work came to a halt. Expert firms were paid to draw up plans for economizing in government-run companies. As a result, dozens of workers were laid off.

When at the same time cod catches catastrophically plummeted and they had to lay off freezer plant workers, unemployment figures tripled. At present 3.4 percent of the Icelandic labor force is unemployed.

The official statistics on unemployment do not, however, tell us the whole truth. Unemployment has so far only hit specific sectors and many Icelanders have two, even three jobs. When a normal day's wage is not enough to maintain one's standard of living, one has to extend the number of working hours. Industriousness is indeed the characteristic that is typical of the nature of the people of Iceland. The fact that wages are lower than in Finland but the standard of living is higher can be explained in terms of this.

Four-Percent Wage Hike Ceiling

The special decree enacted by the government expired in February and wage negotiations were instituted. The government worker federation (BSRB [Federation of State and Municipal Workers]) announced that it was demanding a minimum wage of 15,000 kronur (3,000 markkas). The minister of finance, on the other hand, proclaimed that they could not afford a bigger hike than 4 percent: "If we go beyond that, the bottom will drop out of the government's policy and then we'll have elections."

Many trade union veterans charge union leaders with failing to take action. It is perhaps not the will to act that is lacking in leaders, but that they are facing a difficult decision. The average Icelfander is so caught up in the tight cycle of installment payments and debt that even a short strike might produce a catastrophe for him. Despite all the prosperity, the present-day worker is more of a slave than veterans of the early days who scarcely had a krona to spare in their pockets.

Inflation Has Dropped

Steingrímur Hermannsson's government has gotten the inflation rate to drop to 20 percent. It is afraid the roulette wheel will start spinning again if the trade unions do not "display moderation in their demands." The opposition, on the other hand, notes that, at the same time "they are demanding sacrifices of the people," company heads are getting big income supplements in the form of tax relief "to help the business sector recover."

The chairmen of the two big trade unions have now proposed that those who do not receive a wage from their employers that exceeds the subsistence level be paid the portion of it that is under that level out of national social security.

The chairwoman of the women workers union said that she was absolutely fed up with empty promises. "Both the trade unions and members of Parliament say every year that the situations of low wage earners must be improved and then everyone gets raises of the same percentage." So worker solidarity has become a thing of the past.

As for Prime Minister Hermannsson, he has proposed that a minimum wage prescribed by law be set. But that firms that are in the weakest of situations be permitted to recover the raises they pay from the national treasury.

In the opinion of many, these are undeniably peculiar plans in a prosperous nation. Veterans remind their comrades of the old saying: "A worker is worth his wage."

These past few weeks differences have begun to appear even among members of the government. In addition to differences over policy, there are also personal differences between ministers. Backbiters claim that Finance Minister Albert Guðmundsson is using his statement that we cannot afford raises of over 4 percent as a pretext for his resignation.

In that way he would gain time to ready himself for the next presidential elections. You see, President Vigdis Finnbogadottir's term ends at the end of next July. Albert Gudmundsson received only 7 percent less votes than Vigdis Finnbogadottir in the presidential elections held 4 years ago.

So far, however, the wage negotiations seem to have bogged down. Neither party dares to risk a fight, but they do not want to give up their positions either.

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CSO: 3617/96

DEN UYL, OTHERS ON POSSIBLE LEFTIST MAJORITY

Amsterdam DE TIJD in Dutch 20 Jan 84 pp 6-10

[Report on interviews with Joop den Uyl, Maurice de Hond, Van Velzen, Maarten Engwirda and Hein Roethof, by Gerard Driehuis: "Den Uyl, the Small Leftist Parties and the Bizarre Coalition"; date and place not given; passages enclosed in slantlines, printed in italics]

[Text] Some historic events take place without anyone paying any attention to them. Stealthily, the "left" is in the process of capturing the majority. Less than five seats to go and then... The small leftist parties already know it: then everything will be different. But the PvdA [Labor Party]? Does it want to be added to Van der Lek and Van der Spek? Nothing of the sort, says Den Uyl. He already knows now that they will not govern with the small leftist parties, even if there were a majority: "Then we would immediately lose the gain to the D'66 [Democrats '66]!" How the skin of a bear who is still alive and kicking is to be divided.

Where has Max van den Berg been the last few days? This may be a strange question, and perhaps it is none of our business, but yet... For some time now, hardly anything has been heard from the president of the largest party (this was different in the past...), but this week he would again shine his light on political events, via the columns of DE TIJD, specifically on the intriguing phenomenon of the sudden sneaking up at breakneck speed of a left-wing majority. The public relations department of the PvdA had arranged all of it beautifully. It is true that there were a few obstacles, because Van den Berg was on his way to Nicaragua (of course, who wasn't?). But it should be possible to arrange half an hour, three quarters of an hour on the phone. Reason enough. The PvdA is doing better than ever, and then there is also the cooperation of the other leftist parties which will bring Max's dream of a leftist majority closer. And suddenly -- the arrangements had just about been worked out -- the president was nowhere to be found, lost, gone. "And besides, it would be better to talk about this with /others/, wouldn't it? And you are also talking to Joop den Uyl, aren't you?" said the public relations people.

Well yes, it would make you think. The champion of the majority strategy of the left who has disappeared when someone wants to talk about it at a time when, to everyone's total amazement, such a majority suddenly comes into view.

But perhaps it is very understandable. Nothing is worse at this time than speculation about a leftist majority and about cooperation with such creepy parties as the PSP [Pacifist Socialist Party] and the CPN [Communist Party of the Netherlands]. This could greatly damage the very successful strategic maneuvers of the past year. But we would very much have liked to hear Max van den Berg specifically explain why cooperation with those parties is very undesirable.

Sixty Seats

But even without a verbal pirouette by the PvdA president, the facts remain remarkable enough. First the figures. During the provincial elections of 1982, the PvdA scored an historic defeat; the party became nearly the size of the VVD [People's Party for Freedom and Democracy] and the third party in the nation. Today, less than 2 years later, according to as yet unpublished figures the PvdA seems to be close to having 60 seats. A little more and the PvdA will be larger than the CDA [Christian Democratic Appeal] and the VVD together. The figures, which reflect the situation up to and including 11 January, indicate that the PvdA has nearly reached the magic 40 percent line, which is good for those 60 seats. A mathematical calculation shows that this did not occur at the expense of the other leftist parties (except for the D'66).

The latest figures give the left a total percentage of about 47.5 percent (including the D'66). The government parties reach 43 percent and in current polls they have clearly lost the majority. Even a Staphorster variant (a VVD and CDA government tolerated by the small Christian parties) no longer produces a majority. The right would be able to remain in the saddle only with the support of Janmaat. Hence, if those polls were to be the result of the 1986 elections (or of the 1984 elections, if the Joep de Boers let the administration fall over a cruise missile) then the only possibility left would be a Lubbers/Van Aardenne/Janmaat administration or, of course, that leftist administration.

And to make matters more exciting, last Saturday at a congress, the first steps were taken toward far-reaching cooperation between the PSP, the PPR [Political Party of Radicals] and the CPN in order to make it easier to achieve leftwing government power. In short, both on the electoral and the political fronts the outlines of this leftist majority are slowly coming into view, or at least the end of the majority of the right.

Rudderless

Election guru Maurice de Hond, from the research agency Inter/View commented: "Such a leftwing majority is far from imaginary. Especially the CDA voters are becoming increasingly rudderless. They either have already moved over to the PvdA or they say that they no longer know what party to vote for. If the PvdA continues to take over more and more votes from this last group, then that leftwing majority will come even faster into view. The PvdA voters all know that they will definitely continue to vote for the PvdA. The members of the CDA are ever less certain about it as far as their own party is concerned. Therefore, in elections the PvdA would have to rely on a low turnout. Then

the CDA doubters would be missing to a major extent. Therefore the PvdA could possibly unexpectedly do well at the European elections."

[Question] And that combination of leftist parties, does that make any electoral sense?

[Answer] Undoubtedly. Combined action by the small leftwing parties will produce more seats for them than they would be able to get separately. Of course, this is conditional upon it being a convincing combination. If it is a company which quarrels beforehand, then it doesn't make any sense; but if the attempted combination leads to a party with a clear profile and a clear list head, then they will do very well.

You have to remember that today the small leftwing parties all project an image of the sixties. This attracts the people who grew up in that atmosphere, but appeals very little to the younger voters. Those could be attracted by a modern leftwing party. And to a not unimportant extent, they are voters who will not vote at all now. Hence, this will be partly at the expense of the PvdA, but on balance they will only strengthen the vote gains of the left.

Everything Will be Different

On Saturday, the small leftist parties began a hesitant attempt at combining. For weeks the "Forum" page of DE VOLKSKRANT, playground of the exempted, has played a prelude to this meeting. But the reality exceeded even the paper discussions. The new heaven and the new earth were determined by means of a point of order. Following the "breakthrough of the left" everything will be different: that much was clear. A few small matters remained unsolved, such as, for example, the fact that the CPN does /not/ want to eliminate NATO and the PSP /does/, but let us leave that aside.

And then there are also /fractions/ within the ranks of the small parties. The PPR as a whole seems to be reasonably warm to the plan. Even the party president participated in the "breakthrough." The PSP, on the other hand, is hopelessly divided. Many prominent PSP members were present, but not Fred van der Spek, for example: "This only leads to half-baked social democratic goings on and not to a real change in society."

In the CPN, the "breakthrough" seems to be playing a role in its internal troubles. Meanwhile the party is divided into three camps (and three seats): the quick changers, the cautious changers and the horizontals who want to leave everything as it was in the past, in this case make it that way. This conflict will have to be settled at the 50th Party Congress, on 4 February. Many people believe that the hard line will win. In that case, the changers may see the "breakthrough" as a possible future political haven. But before things get that far, the CPN will probably have made itself disappear electorally speaking.

However unreal the ideals of the founders of the somewhat less small leftist parties may be, however, matters will be difficult enough for the PvdA if the small leftist parties plus the PvdA were to get the majority to govern with either the CDA or the VVD. Would the second Den Uyl administration then be a leftist administration anyhow?

Very Nice Indeed

"It looks very nice indeed," muttered opposition leader Den Uyl cautiously. "However, you shouldn't exaggerate; together with the D'66 we were also in this neighborhood in late 1971. True, slowly but surely the leftist support is growing. But in and of itself that is not the most important thing that is happening. The most important is that the government parties have gotten so far removed from a majority. /That/ is the real development which is going on. And another thing that is new of course is the fact that the PvdA has such a large share of the leftist support as a whole, what is new is that we are so awfully high."

[Question] But including the small leftist parties, the PvdA is on the road toward a majority, isn't it? Especially if through combination the small leftist parties become electorally more attractive, as De Hond expects.

[Answer] I don't have any expectations in this regard. The small leftist parties have a steady support of about 6 percent and that will undoubtedly stay that way. That cooperation among the small leftist parties will bring little change to that. Moreover, to be honest I first want to see whether anything will come of that hoped for cooperation. It is an interesting development, but the likelihood that those three will reach an agreement seems extremely improbable to me. The debate on leftwing unification is as old as the left itself.

The tactics of the PvdA are extremely simple. An anecdote from the spring makes it all very clear. Based on unpublished figures, the PvdA knew that some of its own stormy recovery had been nullified. The figures were gradually becoming less favorable. At the same time, the other party immediately to the left of center, the D'66, was pushing forward a little in the polls. Cautiously and moderately, but yet it was. And then suddenly there was Joop den Uyl's invitation to his much teased colleague Maarten Engwirda: "We should brainstorm sometime, Maarten." An unexpected proposal following months of being ignored by the former partner. It turned out to be a false alarm; when the cautious march forward of the democrats came to an end in the polls and even disappeared, Den Uyl's original inclination toward cooperation had once again ebbed away.

For those who did not know this before, it became clear then that Den Uyl is putting up his decades of experience to achieve a single goal: prior to taking his leave, during his last term to turn the PvdA into a party which has become so big that the only way to govern is with the PvdA. To this effect the historical bonds with the D'66 were sacrificed without hesitation.

Maarten Engwirda: "This is indeed precisely the way it is. It is noticeable in everything that the PvdA is watching what we are doing with extreme care. If we come up with a somewhat different and more effective nuclear arms position, Den Uyl will promptly borrow something from it in Moscow. If we present an alternative to the government plans and if we really make it count, then the PvdA will also come up with something like it. They carefully keep an eye on us and regularly take over things from us, but then obviously without source citation. And this makes it more difficult for us to propagate our

individuality. As a matter of fact, I'm not at all surprised that the PvdA acts this way. For years I have had no illusions about that party's solidarity. As a matter of fact, the PvdA should not count on solidarity on our part either when they need us again."

"It Does not Do Anything for Me"

[Question] Hence, it would be very nice for the D'66 if there was a likelihood of a leftwing majority?

[Answer] Naturally. If the PvdA allows any doubt about whether it might be willing to cooperate with the small leftist parties, that would be very good for us. Because, even though we do not officially exclude anyone, I can reassure the people who, because of such a situation, are looking for an alternative to the PvdA. Something like that is not to be expected from us.

And Den Uyl has naturally understood this very well: "Aside from substantive political arguments, the PvdA has to keep away from cooperation with the small leftist parties if only for electoral reasons. I am not at all in favor of such cooperation." Next, Den Uyl recalled the fact that he had been right in 1981. At that time, he grudgingly entered the campaign with a preference for the small leftist parties. "You know what happened then. The voters realized that we might join up with the small leftist parties and that the D'66 would definitely not do that. The D'66 promptly won 10 seats and we lost 9. I am absolutely not interested in making that mistake again. /As soon as we suggest that we might want to form a majority coalition with the small leftist parties, the D'66 begins to grow wildly./ That is absolutely automatic. Therefore, we shouldn't do it, if only for this reason."

[Question] And you are happy about that, that with an electoral argument you can keep the party's left wing from making these kinds of advances?

[Answer] Well no... But losing 9 seats, that is not something you're going to do again after all...!

[Question] And what would you by implication think of cooperation with the left?

[Answer] Well yes, there's the other point. It is also by implication an illusion. Take the socio-economic policy. We do oppose the Lubbers administration, we point to the disasters which are the result of some of the measures, but we do want to retrench. And that is quite different from the small leftist parties. To the extent that it is possible to speak of the small leftist parties as a group. There are big differences within that group, not to mention the CPN because there the divisions are so great that the course depends on who you are talking to.

And this is where the big confusion starts. Den Uyl is certainly right when he says that any doubts among the voters about whether their vote might some day lead to putting Ina Brouwer or Rita Beckers into power, should be removed. Maurice de Hond noted: "The greatest threat to a leftwing majority is that majority itself. It could happen that people are so frightened by the thought

that such a majority is a possibility, especially voters who have recently left the CDA, that they will vote for another party anyhow."

Therefore, the PvdA should at all cost keep people from thinking that a coalition with the small leftist parties is being considered. But not everyone is equally capable in this public relations job. For example, PvdA committee member Van Zantschulp, who has been trying for years with varying success to develop himself into the party strategist, was full of enthusiasm at the congress where the leftist breakthrough was being prepared. "If there is a majority of the left, then we must govern if possible. That would be wonderful, wouldn't it, to govern without the CDA?"

Try First

Within the parliamentary party there are also members who greatly regret this feeling of repugnance toward the small leftist parties. And then there was the reaction of party secretary Van Velzen, in the absence of Van den Berg the top man on the committee: "Of course we should strive for a leftwing coalition. That goes without saying, doesn't it? Whether it will be possible to come to an agreement is a different matter, but it would be strange not to try that first."

[Question] Your party's political leader has different views on this. He calls it bizarre to suggest that possibility.

[Answer] Those cannot be anything but his personal opinions then. There is no party position on the subject.

[Question] Den Uyl wonders how anyone can plead for a strategy which cost 9 seats in 1981.

[Answer] Is that what he says? It is, of course, also possible that that loss was due to the fact that the PvdA was not able to translate the preceding gain of 10 seats into a cabinet. I am not saying that it would be easy to achieve something with the small leftist parties, but there is a great deal that is positive about such a development. Hence it would be impossible to exclude it already now. In fact, one should /work/ at such cooperation. And if someone in the party makes other statements about this, then that is on his own account.

These kinds of reactions are not all that surprising. As a matter of fact, for years the official goal of the PvdA was to achieve a leftwing majority. But then the likelihood of such a majority was still completely unreal... So, this is no longer acceptable now. But will the leftish cadres of the PvdA be able to explain why Lubbers is still a better partner than Van der Spek? We can just imagine a meeting of the PvdA party council, immediately after having won 76 leftist seats, in which Den Uyl explains that he is going to aim for a Den Uyl-Lubbers administration...

Better Not Speculate

"Of course, that is absolutely not necessary," claims Den Uyl. "If the development of the PvdA continues this way then a situation is also imaginable in which we would govern by ourselves, without binding agreements with other parties beforehand. But it is true, it would be better if committee members did not speculate on governing without the CDA, thanks to the small leftist parties. To make this mistake as we did in 1981 would be bizarre."

Party committee member Hein Roethof has very little sympathy for the flirting of some colleague-committee members with the small leftist parties. According to him there is first of all the question of whether the small leftwing parties, apart from being small, really are all that leftwing. "The problem is that it is not always clear among us, the PvdA and the small leftist parties, what is actually leftwing and what is rightwing. I'll give you a few examples: I feel that the struggle for the emancipation of women is a leftist issue. But, in my opinion, a plea for the prohibition of pornography is a rightist issue. Anti-discrimination policy is leftist, but a plea for the prohibition of the Center Party is rightist. The struggle for a pluriform society is undoubtedly a leftist issue, but the coercive imposition of role patterns for men and women is rightist."

"I have no problem at all with the fact that not everyone on the left agrees on these kinds of issues, but it should be issues on which discussion is possible. And this is hardly possible with the small leftist parties. People who don't even want to talk about these kinds of issues and who know beforehand that they are right, people who accuse others who have different ideas on the subject of having fascist ideas, those are rightwing people and the PvdA should not go to sea with them."

"Moreover, the small leftist parties are terribly unstable. I don't even have to bother mentioning the CPN; the divisions there are obvious. But take the PSP. I attended their spring congress as representative of the PvdA. There were three tendencies which were fighting each other to the death and mutually excluded themselves. For the PvdA, to put itself in the hands of those kinds of groups would be deadly dangerous."

[Question] But if there were such a majority, then the PvdA could hardly avoid such cooperation with regard to its own rank and file, could it?

[Answer] The question is obviously not whether there will be a leftwing majority or not. The question is that the current coalition is losing its majority. And it goes without saying: if there is a leftwing majority there will not be a rightwing one. One thing is sufficiently clear: if, after the following elections, it appears that the CDA and the VVD still have maintained their majority, then they will remain in office until 1990, that is a fact.

And if the CDA and the VVD do not obtain the majority, then it is a case of six of one and half a dozen of the other: then the PvdA will simply have to see which party lends itself best to carrying out its own program. For the time being, this is the main merit of the Des Indes group; the PvdA and the VVD no longer exclude each other. The PvdA must govern; with whom, we will figure out when the time comes.

Craving

But against Roethof's healthy distaste for a union with the divided, compromising, radical left, there are all too many PvdA officials who would like nothing better. Many PvdA members attended the meeting of the small leftist parties who crave for cooperation. Cooperation between small and large leftwing parties also seems to be very attractive to the union movement. Cees Schelling, president of the FNV [Netherlands Trade Union Federation] Food industry unions regularly pleads for this. ABOP [General Association of Teaching Personnel] President Jan van de Bosch was even a speaker at the cooperation congress. The question is what exactly the union leaders want from a combination of small parties, one of which (the CPN) believes that just about all income should, if not go up, at least remain equal, another party (the PPR) has serious questions about economic growth, and the third party (the PSP) wants to pay everything that comes to hand from defense expenditures.

Because, aside from the degree of reality of these kinds of ideas, the PvdA is still faced with the fact that large groups within its own ranks are craving for cooperation with these kinds of groups. And there is also the fact that the fig leaf of electoral impossibility, which has given the PvdA leaders an argument to reject cooperation since the sixties, threatens to fall off. In the past, the argument was that to govern with a leftist majority would indeed be much nicer, but it happened to be impossible to do so. After all, there was no majority. There was nobody who ever believed that Den Uyl wanted to go with the small leftist parties, but it was never necessary to say it aloud for lack of such a majority. Now, choices will have to be increasingly clear. Den Uyl: "It should be obvious to you what choice will be made."

The more Lubbers prunes, the more the PvdA will grow. There are no elections in sight (yet), the (potential) majority remains to be achieved, but fortunately: the left is already confused about how to divide the booty. A familiar scene.

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CHURCH, PEACE GROUPS DIFFER ON BLOCKADES

Rotterdam NRC HANDELSBLAD in Dutch 14 Feb 84 p 2

[Article: "Chance of Split Between Churches and Interchurch Peace Council If Blockades Take Place"]

[Text] Rotterdam, 14 February--The possibility exists that churches will break with the Interchurch Peace Council (IKV) if the IKV calls for participation in blockade actions.

"It remains to be seen whether the churches will want to continue to bear responsibility for the IKV." So said Reverend C. B. Roos, president of the Dutch Reformed Church synod, in response to what IKV Secretary M. J. Faber said last Saturday in the campaign council of the Peace Council concerning the preparations for a massive crowd action (blockade) in Woensdrecht if the cabinet should decide to base American cruise missiles there.

According to Reverend Roos, the Reformed Church has always associated very cautiously with the IKV--as, for example, in the case of the demonstrations in 1981 and 1983, where participation was recommended with caution. But "if the IKV comes along now with this idea of a crowd action, I do not see it happening that the Reformed synod would declare itself ready to join in this, before a final decision on the basing has been made by the government."

Last weekend, the campaign council of the IKV decided to agree to the blockade proposed by the executive committee. Representatives of the nine churches as well as of the roughly four hundred action groups spread throughout the country sit on the campaign council. Although the group representatives form the majority in the campaign council, no decisions can be made there that have not received the churches' approval.

According to Reverend Roos, the IKV must keep well in mind that the churches are not pursuing political power and that they do not want to. "Our problem," says Roos, "is not that the churches do not want to join in, but that they cannot join in."

Loyalty

At the meeting of the IKV campaign council in Utrecht, it was also pointed out by a representative of the Lutheran Church that further-reaching actions

by the peace movement--for example, those where civil disobedience is called for--will be viewed poorly by the churches and may lead to them distancing themselves from the IKV. Others spoke of the situation of double loyalty in which the IKV finds itself, in that it, on the one hand, does not definitely want to prevent implementation of a decision on basing by the government, but wants, on the other hand, to keep radical Christian peace activists in its midst.

Various representatives called the IKV executive committee's proposal for action much too cautious, even fit for the CDA [Christian Democratic Appeal].

Others, however, thought that too strong actions, which ultimately would still not be able to prevent implementation of a basing decision, would entail the abolition and destruction of the peace movement. They feared, moreover, that the proposed crowd action at Woensdrecht could not be kept emotionally under control, unless large-scale practical training in non-violence was to precede it.

IKV President Ter Voor argued that the IKV does not want to bear any responsibility at all for actions that try to make decisions reached by the government definitely impossible; this because the authority to decide lies not with "the street," but with the democratically elected representatives of the people. Secretary Faber added to this that the churches, which have made so many pronouncements against the further modernization of nuclear armaments, now would have to translate these pronouncements into clear forms of protest, and would therefore have to cooperate in organizing the crowd action at Woensdrecht.

Sabotage

According to Faber, a mass crowd action must prevent all sorts of separate activities from arising that might lead, in the long run, to acts of sabotage and static warfare, like that of the woman peace activists at the British cruise missile base Greenham Common.

The campaign council finally agreed unanimously that the IKV executive committee, together with other peace organizations, should go through with the preparations for a crowd action. The executive committee was also charged with investigating possibilities for other forms of action. For example, non-cooperation with the government, whereby it is a matter, among other things, of individual refusal to pay taxes on the basis of conscientious objections. The executive committee made it known that it would carry out the instructions, but considered the chances great that the Labor Party and the trade-union movement, which form part of the national No Cruise Missile Committee, would have little sympathy with actions of non-cooperation and would leave the IKV in the lurch as far as such things are concerned.

REORGANIZATION OF NATO IBERIAN MILITARY COMMAND STRUCTURE

Paris LE MONDE DIPLOMATIQUE in French Feb 84 p 4

[Article by Alain Echegut: "Strategic Redeployment in the South of the European Continent: Military Redeployment in the Iberian Peninsula"]

[Text] The Iberian Peninsula is situated at the heart of the reception and forwarding zone for raw materials vital to the Western world, particularly oil.

Indeed, the "black gold route," over 12,000 km long and originating in the Persian Gulf, divides--after passing the Strait of Ormuz 1/--into two great arcs: one crossing the Indian Ocean towards Japan and the United States; and the other skirting the African continent round the Cape of Good Hope, then branching, in the north Atlantic at the latitude of the Canaries, into two routes: one to northern and southern Europe 2/, and the other to the American east coast.

Quite naturally, the "Iberian position" is marked, over thousands of kilometers, by a close network of ports, naval bases, and coastal airfields. To Captain Andre Leost, former French naval attache in Madrid, "that complex offers the advantages of a true aircraft carrier close to the really critical points on the major seaways to be protected." 3/

In the Western defense system Spain and Portugal have three major and complementary functions: as a "naval aviation platform" for operations launched in Europe, the Mediterranean, and the eastern Atlantic; as a "port of call" on the airlift and sealift route to the central European theater; and as a "defensive redoubt" and "forward base" for the United States in preparing and developing a counteroffensive on the European continent. 4/

The strategic Portuguese triangle (Portugal-Azores-Madeira) is the first line of military deployment. A charter member of the Atlantic alliance since 1949, Portugal has responsibilities in the IBERLANT command, headquartered in the Lisbon suburb of Oeiras, for the defense of Atlantic seaways and as an arms depot. For lack of the resources absorbed by colonial wars and the "carnation revolution," participation of the 62,000-man Portuguese armed forces in NATO has always been deficient. The real Portuguese

asset lies offshore. It is the Azores archipelago, integrated into the forward defense system of the United States. In 1946 Washington signed an accord with Lisbon for use of the Lajes base on Terceira. The agreement was once more renewed on 13 December 1983, and about 1,300 U. S. Air Force men are now based in the archipelago.

The second line consists of the American bases set up on the Spanish mainland. In 1953 was signed the Spanish-American treaty better known as the "Madrid pact." Thus for 30 years the essential functions of Spanish defense have in large part depended on the role of the dozens of American installations dispersed on its soil, particularly including the Rota (Cadiz) naval air base and the air bases at Moron (Seville), Sanjurjo (Saragossa) and Torreon (Madrid), with total effectives of 9,000 (5,000 for the U. S. Air Force and 4,000 for the U. S. Navy), whose upkeep represents an annual expenditure of about \$170 million. Spanish bases extend their logistical support to the American Sixth Fleet in the Mediterranean.

And the armed forces of Spain, totaling 347,000 men, far outnumber those of its Portuguese neighbor. They play an essential role in the third line of military deployment: the Balearics-Gibraltar-Canaries axis. 6/

The Spanish-American Treaty of 1976

A priori, then, the aggregate of military manpower, materiel, and resources committed in the Iberian peninsula constitutes a deterrent defense system. And it was locked in place more securely with the signature by the United States and Spain in 1976 of a new "treaty of friendship and cooperation," which was renewed on 24 February 1983.

The treaty defines a "common interest zone" (CIZ) of more than 3,626,000 sq. km. in which "activities of American and Spanish forces are to be coordinated and planned by joint agencies." The new sea defense zone includes the western Mediterranean and a large part of the Atlantic.

It is clear that this treaty profoundly reshapes the whole area of the peninsula. Research director Alberto Santos of the Interdisciplinary Center for Peace and Strategic Studies considers that "the two countries will have to act in a geopolitical and geostrategic framework differing from the one they have known since the Cold War--that is, a context in which the whole of that area will take the form of a unified strategic entity under essentially American control. 7/ And General Loureiro dos Santos, former Portuguese defense minister, for his part notes that "the United States is moving towards a true international strategic division of labor." 8/ The consequences take three forms: new facilities for American forces; restructuring of Portuguese and Spanish military forces; and reorganization of NATO commands with accession of Spain to the North Atlantic Treaty on 5 June 1982.

The planned implantation of new American bases results from threats to the Western world's oil supplies arising of course from the Iranian-Iraqi con-

flict, but also and above all, since the invasion of Afghanistan, from the presence of Soviet troops less than 600 km from the Strait of Ormuz--the distance from Madrid to Cadiz.

Concerned with that defense of the access routes to raw materials sources, the United States began in 1980 to set in place its Rapid Deployment Force (RDF), which is to reach a strength of 110,000 men equipped with heavy armor. Its principal characteristic is mobility: the ability to arrive in a short time at reception bases prepositioned in areas subject to "turmoil."^{9/} But the RDF needs additional points of support, particularly on the Gulf route.

Last fall's negotiations to renew the Portuguese-American agreement show that in the minds of the American military Portugal indeed has an "aircraft carrier" mission. The United States asks first to be allowed to equip the Lajes base in the Azores as a fully fitted out refueling stop for the RDF; secondly, for quasi-permanent use of the three mainland bases at Cortegaca in the north (in process of enlargement), Monte-Real in the center, and Beja in the south (leased to the Federal Republic of Germany); and finally, for authorization to build a submarine base on Porto Santo island near Madeira. Prime Minister Mario Soares, in office since the socialist victory in legislative elections held in the spring of 1983, saw no obstacle to such a plan ^{10/}, but General Eanes, supported by progressives in the military, did not view broadening of the 1946 agreement very favorably.

In the end, the text signed in Lisbon in December 1983 provides only for use of the Lajes base by American forces for a renewed period, this time fixed at 7 years. In exchange the United States grants to Portugal financial aid totaling \$1.3 billion. ^{11/} The Americans have not, however, abandoned the idea of a broadened agreement. New negotiations could start in the first half of 1984.

Spanish bases also have the mission of supporting unilateral actions by the United States in the Mediterranean. But in the event of Israeli-Arab conflict some of their effectiveness would be lost, for Spain is imposing ever stronger restraints on their use. Madrid has not followed up on the Pentagon's project to equip a base for the RDF on Hierro island in the Canaries. ^{12/} Nor, it seems, is the Gonzalez government authorizing American forces to use the new Gando naval air base on Grand Canary.

With regard to restructuring of military commands, Portugal can be said to have sealed its "return" to the alliance in 1976 by forming a mixed NATO brigade of ground and air forces numbering 3,000 men based at Santa-Margarida north of Lisbon. It is under the authority of CINCSOUTH (Commander-in-Chief Allied Forces Southern Europe). The ground forces reorganization project, for its part, has completely failed.

"Stabilization" of the Army is in fact the main concern of the United States and NATO. There is no lack of pressure for removing from positions of responsibility all officers who were members of the ex-AFM (Armed Forces Move-

ment. The task is easier today insofar as revision of the constitution has brought about abolition of the Revolutionary Council, which was dominated by progressive officers. Henceforth, military affairs come under the jurisdiction of the Superior Defense Council, in which the government has a preponderant voice, particularly in appointment of military chiefs.

Immediately on returning to power, Premier Soares obtained the dismissal of General Garcia dos Santos, Army Chief of Staff, who had played a decisive role in the coup of 25 April 1974 by insuring coordination of communications. He was replaced by a conservative, General Salazar Braga. The Superior Defense Council, for its part, rejected the appointment of General Aurelio Trindade as commander of the northern military region. He too had been a member of MFA.

On the Spanish side the problems are of a different nature. Indeed, the policy of neutralism and the relative isolation of the armed forces had led, after 40 years under Franco, to a military structure oriented essentially towards maintenance of "internal order." The reforms which followed Franco's death can be considered as tending towards modernization and greater compatibility with membership in NATO. For example, from 1976 to 1981 Spain received from the United States approximately \$1.3 billion worth of aid in the form of various loans and grants, essentially in the nature of credits for military purposes. In 1982 assistance came to \$144 million, and in 1983 to \$400 million.

An important step was taken as early as 1977 with the fusion of the three armed forces ministries into the new ministry of defense, while a committee of chiefs of staff (JUJEM) was established with a view to unifying the direction and objectives of the armed forces. That reform did not prevent "ultra" officers from making several attempts to overthrow the democratic regime. ^{13/} Thus it is not surprising that the key idea of the reform plan developed by the Gonzalez government, which takes effect in 1984, is to "enhance subordination of the armed forces to the civil authority." And so the committee of chiefs of staff became simply an advisory body to the government on military matters. A new post was created: that of chief of the defense staff.

In presenting that project, Defense Minister Narcis Serra announced that the "joint strategic plan" which determines the defense missions of the armed forces and the resources to be available to them to accomplish those missions, will henceforth be laid down by the executive, and no longer by the committee of chief of staff. In addition, military budget allocations are to be determined on a programmed basis, whereas formerly each armed service received a sum fixed in advance, the use of which it could itself largely determine. ^{14/}

Thus from 1983 to 1990 Spain will spend 2.15 trillion (2,150 billion) pesetas to carry out 56 programs of armed forces modernization. ^{15/}

A fundamental aspect of the vast modernization plan is the FACA (future fighter and attack aircraft) program for the air force. On 30 May 1983, after 5 years of difficult negotiations, Premier Gonzalez announced the purchase by Spain of 72 F-18 A fighter aircraft from the American firm of McDonnell-Douglas. 16/ The contract totals approximately \$1.6 billion.

The naval forces, for their part, are considered by all specialists as the best performing of the three armed forces. A new qualitative step will be taken in 1986 when the aircraft carrier Principe de Asturias enters service, together with three Galerna-class submarines and 12 Harrier vertical take-off aircraft.

Another ambitious program is the META plan for ground forces modernization. To the defense minister it is a matter of creating an army reduced in numbers, but concerned above all with its primary mission of "defending Spain against any external aggression." The change implies a territorial redeployment, since major units are now stationed around large urban centers, with the Brunete armored division and the parachutist brigade near Madrid. Henceforth they will be deployed near the frontiers. The defense minister has also stated that troop reduction will affect about 95,000 effectives and 25 percent of the officer corps.

Redeployment of units in depth also involves reducing the number of military regions, which will drop from nine to six: del Estrecho (Seville), to which Ceuta and Melilla are attached; Central (Madrid); Noroeste (Valladolid); Norte (Burgos); Pirenaica (Barcelona), including the Balearics; and Mediteranea (Valencia). The Canaries archipelago retains its command autonomy.

Unified Command?

However that may be, Spain's participation in NATO's integrated military structure poses the problem of command reorganization. At present COMIBERLANT (Commander-in-Chief Iberia-Atlantic), based in Lisbon and subordinate to SACLANT (Supreme Commander Allied Forces Atlantic) in Norfolk (USA), has a sector extending between Portugal, Madeira, and the Azores. Western Mediterranean forces are under CINCSOUTH, based in Naples, which is subordinate to SACEUR (Supreme Allied Commander Europe) in Casteau, Belgium. But Spain deploys naval and air forces both in the western Mediterranean and Atlantic. What, then, is the solution?

Broadly speaking, responsible officers in NATO are faced with two choices. The first, a very complex plan, calls for division of Spanish forces between SACEUR and SACLANT, with three important modifications:

Creation of a command for allied ground forces on the Iberian peninsula, headquartered in Madrid and subordinate to CINCSOUTH: in this event Portugal's mixed NATO brigade would be attached to the new command;

Reactivation of AFMED (Allied Forces Western Mediterranean) under a Spanish admiral subordinate to CINCSOUTH 17/, with command of Gibraltar coming under

Spanish tutelage. 18/ In the event of non-reactivation of AFMED, NAVSOUTH (Allied Naval Forces Southern Europe) could then be given to a Spanish admiral (an Italian is presently in command);

Spanish participation in COMIBERLANT and creation of a subordinate Canaries command patterned on that of Madeira.

The second plan is championed by the United States. It was presented to the Spanish military, who were captivated by the idea at the time of the initial negotiations at NATO from July to October 1982. 19/ What is this plan? Simply to create an allied command for the Iberian peninsula with a military authority at the same level as SACEUR or SACLANT. The project conforms to the logic of the Spanish-American treaty of 1976, which encompasses the whole extent of COMIBERLANT, particularly including Portuguese territorial waters and the zone belonging to Madeira.

In Portugal the American thesis is hotly contested. Foreign Minister Jaime Gama has declared that "Portugal will never accept the creation of a unified Iberian command joining the ground forces of the two countries, or establishing a division of responsibilities for naval or air defense, which would mean an effective Spanish presence beyond the western Mediterranean zone, the Canaries sea route, and that portion of the Atlantic between Galicia and the Gulf of Gascony." 20/

The Portuguese military are deeply divided over the plan. To the "atlantistas," led by General Firmino Miguel, deputy chief of staff of the army, the "globalization of the Iberian peninsula's military problems is fully justified." On the other hand the "continentalistas" led by General Loureiro dos Santos reject such a concept, "which denies the very notion of national defense."

"At a time when local confrontations tend more and more to take on world dimensions, and when the fear of losing hegemony is gaining ground in the United States, the setting up of a military apparatus of globalist character would have weighty consequences," points out M Alberto Santos. Portugal and Spain are not so distant from certain zones of conflict--the western Sahara or the Near East, for example--that they can fail to weigh the threats such a project brings to bear on the Iberian peninsula.

/ An Uncertain Referendum

Quite obviously, Spanish army reform is consonant with the logic of military integration of Spain into NATO. Since coming to power, the Socialists have shaded their position on the Atlantic alliance. True, nothing has changed in the short run: Spain is "freezing" the process of adherence to its present level; that is, it is not for the moment integrating itself into the alliance's military structures. The Gonzalez government wants first to consider the consequences of membership. It considers that the latter was decided on "hastily and without examining the country's defensive and strategic priorities."

But the referendum on continued membership in NATO, one of the themes of the Socialist election campaign, has been postponed to a more and more uncertain date. [line illegible in source] Madrid on 11 March 1983 the prime minister even declared that organization of such a referendum would be "at present inopportune," and pointed out that will not change its attitude towards the Atlantic alliance "as long as the climate of international tension persists," for that would "create an imbalance."

FOOTNOTES

1. Through that strait, 38 to 55 km wide, passes practically all the Near East's oil production (or 24 percent of the world's supply).
2. Essentially, the supertankers supplying Europe make for either Antifer (Le Havre) or Fos (Marseilles), respective starting points of the northern and southern European oil pipelines.
3. "NATO Strengthens Itself", REVUE DE LA DEFENSE NATIONALE, May 83, Paris
4. Gen Firmino Miguel, "Portugal a Espanha e a NATO", Lisbon, Livraria Portugal, 1979.
5. The Iberian zone of the Atlantic is a subzone of the sea frontier for which the responsible NATO officer is ACLANT (Allied Commander Atlantic).
6. A total of 5,800 men is stationed at bases in the Balearic islands (where the Sixth Fleet has port installations); 16,000 in the Canaries (with a squadron of 24 Mirage F-1 aircraft); and 19,000 in the Ceuta and Melilla enclaves (Morocco).
7. Cf. "Securing the Rear Areas of Southern Europe", REVUE DE LA DEFENSE NATIONALE, May 83, Paris.
8. Gen Loureiro dos Santos, "Forças Armadas, Defesa nacional e poder politico", Lisbon, Imprensa Nacional, 1980.
9. Cf. Eric Rouleau, "War and Intoxication in Chad", LE MONDE DIPLOMATIQUE Sep 83.
10. Cf. Alain Echegut, "Last Chance Election in Portugal", LE MONDE DIPLOMATIQUE Apr 83.
11. \$930 million in military aid (for improvement of Lajes infrastructures and modernization of armed forces), and \$395 million in economic aid.
12. Cf. CAMBIO 16, Nov 80, Madrid.
13. Cf. Ignacio Ramonet, "Spanish Democracy Tested by Creeping Putschism", LE MONDE DIPLOMATIQUE Jan 82.

14. LE MONDE 19 Nov 83.
15. Or Fr 115 billion.
16. The American aircraft was competing with the Tornado, built jointly by Britain, West Germany, and Italy.
17. This command was abolished in 1967 following withdrawal by France from NATO's integrated military organization.
18. The rock of Gibraltar has a 6,000-man naval air base under a British command (GIBMED) subordinate to CINCSOUTH.
19. Cf. EL PAIS, Madrid, 2 Oct 83.
20. Cf. EXPRESSO, Lisbon, 9 Jul 83.

6145

CSO: 3519/221

APPROPRIATIONS FOR CIVIL DEFENSE IN DOWNWARD TREND

Helsinki UUSI SUOMI in Finnish 13 Feb 84 p 18

[Article: "Less Money for Civil Defense"]

[Text] The purpose of civil defense is to protect people and property from the damages of war and from destruction caused by other conditions comparable to war. According to the civil defense law, measures promoting civil defense readiness must be taken in peacetime so that in the event of necessity civil defense actions can be put into operation without delay.

According to the calculations of the Parliamentary Civil Defense Committee, which submitted its report last year, 142 million markkaa were spent on civil defense in 1981. Thus civil defense funds have fallen off by nearly one-half in the last year 7 years as measured according to a fixed monetary value (see graph).

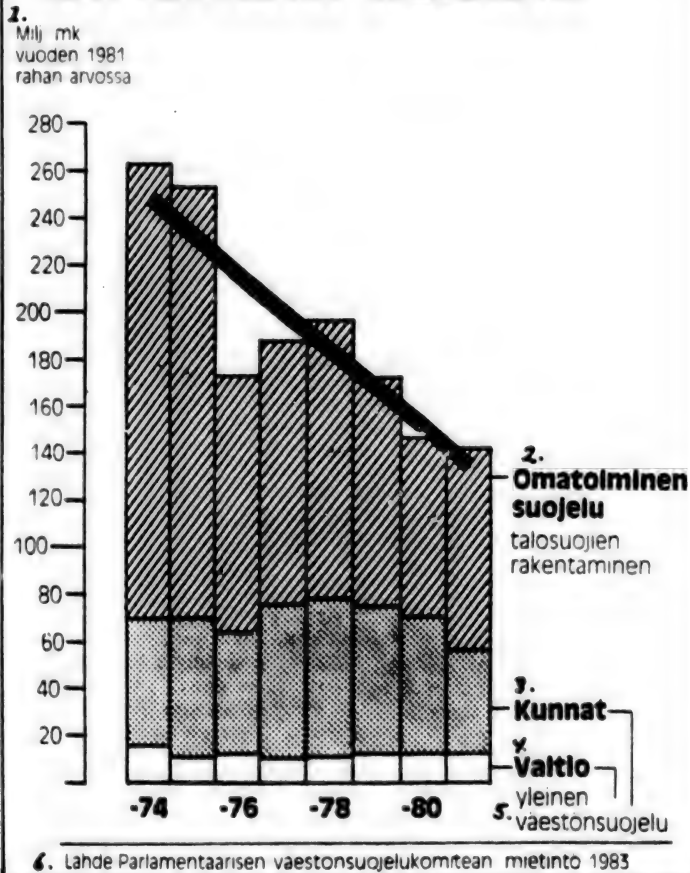
The largest investments in civil defense are made by the private sector. Indeed, the civil defense law requires the construction of public shelters in new buildings located in designated civil defense areas (approximately 100 communities or part of a municipality). The owner of a building is responsible for the cost of this construction. The proportion of this so-called self-initiated protection in the area of the private sector's responsibility amounted to nearly 60 percent of the total expenditures for civil defense in 1981.

The state has granted an annual allocation of 10 million markkaa for civil defense. In 1981 the state's share of the total cost was a little less than 9 percent. The state's appropriations are used for the administration of civil defense as well as for training and radiation surveillance, among other things,

Local [municipal] civil defense funds are primarily used for the construction of control centers and general public shelters as well as for equipping civil defense personnel. In 1981 the municipalities spent 44 million markkaa on civil defense.

The drastic reduction in funds expended on civil defense can be partially explained by the overall reduction in construction since 1974. On the other

ARVIO VÄESTÖNSUOJELUUN KÄYTETYISTÄ VAROISTA



Estimate of Funds Used for Civil Defense

Key:

1. Millions of markkaa in 1981 monetary value
2. Self-initiated protection, construction of residential shelters
3. Municipalities
4. State
5. Overall civil defense
6. Source: Parliamentary Civil Defense Committee Report, 1983

hand, this development trend is surprisingly abrupt in that there are still many life threatening deficiencies in our civil defense equipment, a serious shortage of gas masks, among other things.

10576

CSO: 3617/101

ADDITIONAL DETAILS REPORTED ON AVIATION INDUSTRY REPORT

Helsinki HELSINGIN SANOMAT in Finnish 15 Feb 84 p 32

[Article by Jyri Raivio: "Raade Aviation Industry Committee: Neste and Kemira Also to Be Partners in Finnair Aircraft Plant"]

[Text] The Aviation Industry Committee headed by industrialist Uolevi Raade has proposed that the two government enterprises, Kemira and Neste, which are successful but very far removed from the aviation industry, also become Finnair subsidiaries, partners in the Finnish aviation industry firm that is to be established, in addition to the present domestic aircraft manufacturer, Valmet.

This is an entirely new business for Neste development manager Jussi Rinta. Rinta (who by education and training is an aircraft construction engineer) said that the aviation industry is included in Neste's strategies despite the fact that it is a high-level technology sector which it would be a good thing for someone to manage on behalf of the nation's needs.

According to Rinta, if big government companies are harnessed to serve as managers, that will have to be agreed on separately. Neste has no purely commercial interest in the aviation industry.

It is hard to envision any such interest either at Kemira, whose general manager, Yrjo Pessi, could not be reached on Monday in any event. In their deliberations the committee did not pay any more attention to Kemira's representatives than to Neste's.

This being the case, the Raade committee's proposals regarding the future manager of Valmet's Kuorevesi plant are in all respects contrary to [the views of those involved]. Referring to the recommendations made by his company's board of directors and advisory board as well, as general manager of the plant, Finnair general manager Gunnar Korhonen did not really want to comment on the matter at this point. As soon as the latest report appeared, however, Korhonen publicly expressed surprise at his company's role as a manufacturer of aircraft needed by the Air Force.

As for Valmet, the current manager of the Kuorevesi plant, it wants to completely get out of the aviation industry. The committee has endorsed this intention and proposes that Valmet be merely another partner alongside Neste and Kemira as a Finnair subsidiary in the operational aircraft plant.

Secret and Confusing Report

The Raade committee submitted its report to Trade and Industry Minister Seppo Lindblom as early as 3 January. At that time, however, only the section containing its conclusions, less than a fourth of the report, was made public. The rest of it was secretly published, based on the argument that Valmet's trade secrets are involved.

Due to a special request, the ministry has now consented to publishing the report in its entirety. On close perusal, however, one finds no indication of any trade secrets, unless the fact that there is no one among Valmet's top managers who represents the aviation industry is regarded as a trade secret. For this reason sufficient support for the proposal has been lacking in the lower hierarchy of the Kuorevesi plant.

Demonstrating obvious reluctance, the committee has also studied other alternatives for the ownership of the Kuorevesi plant in addition to Finnair. A Company based on private ownership that is as broadly based as possible is viewed as unlikely because extremely few private companies are interested in the venture. A third alternative is a national industrial plant under the administration of the Defense Ministry, one which K.J. Temmes, the ex-director of the Aviation Administration, among others, has publicly proposed.

The Raade committee, however, rules that out, arguing, among other things, that there would be legal difficulties, a reduction in the aircraft plant's borrowing potential and the need for getting a strong and very independent managerial staff for the aircraft company and the corresponding economic requirements. They would obviously not be able to guarantee these in a plant administered by the defense establishment.

In addition to the question of ownership of the aircraft plant, or put in the more restrained than usual language of the report, "the possibilities for ownership arrangement," the Raade committee also assumed a position on arrangements for research and product development activities. Furthermore, in the report they present several product ideas, from small radio-guided RPV [expansion unknown] craft to Air Force trainers equipped with turboprop engines.

They go into considerable detail on the last-mentioned item in the report. In a shuffling and evasive manner, they try to demonstrate to the Air Force the advantages of a turboprop trainer, one of which is presented as: "the loss in terms of aviation gasoline because of its lack of economy is a fact." The current Air Force trainer, the Vinka, burns aviation gasoline, while a turboprop, using jet engines, would burn aviation kerosene.

At Kuorevesi they are at present developing a Turbo-Vinka type turboprop aircraft. In the committee's opinion, the arguments for launching its planning phase are hazy and Valmet's final position on going on with the development of the aircraft is probably to settle the matter as quickly as possible. The Raade committee took an unreservedly favorable view with regard to the tiny Finnish aviation industry's basic question as to whether we need an industry here that is capable of new production. There were many arguments in favor of it.

The two earlier committees that investigated the same matter came to the same conclusion. According to the Raade committee, the aviation industry's radiation effect on other sectors is great and "the small amount of funds available emphasizes the importance of having a high-level independent production capability."

In the report they state that, from the standpoint of Air Force operations, the fundamentally important repair and maintenance operations, as well as aircraft conversions and modernization, will not succeed without sensible new construction activity.

On the other hand, how in terms of planning and construction they will acquire the skills needed in the especially complicated conversions of military aircraft is left unexplained. At best such conversion and modernization operations can be chiefly concentrated on aircraft weapon systems and electronics.

In connection with the most demanding repair and maintenance operations, the Raade committee among other things speaks of a partial return to pusher propellers, tandem wing configurations and changes based on aerodynamics for military aircraft. However, it makes no sense nor is it even possible to do this with our existing aircraft. Thus the need for new construction capability and exacting repair and maintenance operations' having to share the same fate remains undemonstrated in the otherwise very confusing Raade committee report.

11,466

CSO: 3617/96

BRIEFS

ARMY OVERSEAS REPLACEMENT UNITS--The 11th DP [Airborne Division], 9th DIMA [Marine Infantry Division], and 6th DLB [Light Armored Division] will furnish, if necessary, units to relieve the external intervention detachments in Lebanon, Chad, etc. These divisions will also replace certain overseas rotational units. The divisions will be reinforced in these assignments by the "professional" [composed entirely of regular personnel, i.e. no draftees] companies and squadrons of the 501st RCC [Tank Regiment] and 4th Dragoons. Furthermore, recently "professionalized" units will participate this year, as soon as they are at full strength, in familiarization and training tours overseas either in relief of rotational units or in certain training centers, sites for which are currently under study. [Text] [Paris TERRE-INFORMATION in French Feb 84 p 1] 8041

RAPID ACTION FORCE REPLACEMENTS--The all-draftee units of the Rapid Action [Deployment] Force (FAR) and from infantry divisions will relieve the French UNIFIL [United Nations Interim Force in Lebanon] detachment in Southern Lebanon (420th DSL and the UN France Regiment). They will also replace certain overseas rotational groups and units. The infantry regiments of armored divisions stationed in France will successively dispatch companies on familiarization tours overseas. [Text] [Paris TERRE-INFORMATION in French Feb 84 p 1] 8041

CREATION OF ENGINEER UNIT--The defense minister has approved constitution of the 6th Foreign [Legion] Engineer Regiment. This new unit will be the organic engineer regiment of the 6th Light Armored Division. [Text] [Paris TERRE-INFORMATION in French Feb 84 p 1] 8041

CSO: 3519/223

AIR FORCE OFFICER PROMOTIONS, RETIREMENTS

Athens TA NEA in Greek 30 Nov 83 p 5

[Text] The following air force officers have been promoted by presidential decrees:

To the rank of air force brigadier general, air force colonel Georg. Voyatzis.

To the rank of air force colonel, the following air force lieutenant colonels: Ganas Khar., Sambanis Evan., Gotsis Konst., Evangelou I.

To the rank of air force lieutenant colonel, the following air force majors: Manos Yeorg., Bitzis P., Natsinas Ap., Alexakis Nik, and Mylonakos Il.

To the rank of air force major, the following air force lieutenants: Goumas Andr., Karamitsopoulos Em., Vasilopoulos Anast., Koskinas Evang., Khatzis Dim., Pavlakis Ioan., Karabetsas Nik., Karydis Stavr. Khristou Vas., Iliopoulos Anast., Agryropoulos Ioan., Mamalis Konst., Sassanis Spyr., Petrakos Vas., Tsirovasilis Anast., Kazasis Thom., Foundoulakis Styl., Yiannitsas Ioan., Kanellopoulos Athan., Angelousis Spyr., Anastasopoulos M., Darvakos P., Kanellopoulos Ang., Makroyannis Dim., Kottas Khar.

To the rank of air force lieutenant the following air force first lieutenants: Ikonomidis Dim., Styllas Athan., Koukidis Sterg., Andreou Athan., Khatzitaskos P., Katsanis Yeorg., Makris Yeoryios and Papas Dim.

To the rank of air force first lieutenant the following air force second lieutenants: Salteris Nik., Klidas Panay., Bamiotis Khr., Khakharidakis Kal, Sideris Anast., Tangelis Kon., Yiotis Apost., Mandzavinos Spyr., Khalkidis Nik. Vanderakis Ioan., Bouramis Kon., Drivas Yeorg., Khronopoulos Nik, Violaris Kon., Yiannakis Stavr., Kalderis Yeory., Bithas Al., Zafiropoulos Dim., Papathanasiou Kon., Yalimitakis P., Maniotis Dim., Kothsoliakos Leon, Efthymiopoulos Dion., Sakellarakos Dim., Andoniou Nik., Konstandoulos Ioan., Polymenakos Mikh., Topas Apost., Khristomidis Ioan., Kopelouzos Kon., and Drakakis Kon.

Retirements

The following air force colonels are being retired with the rank of air force brigadier general: Nazlis Dim., Vengos Pr. and Protoyerakis Em.

Finally, air force lieutenant colonels Kolizeras Nik., Karatzaferis Yeory., and Pavlopoulos Khar. are being retired. Also retired are lieutenants Kindzios Efst. and Sagos Andonios.

8193

CSO: 3521/118

VAN HOUWELINGEN ON MILITARY PROCUREMENT, COMPENSATION

Amsterdam ELSEVIERS MAGAZINE in Dutch 28 Jan 84 pp 14-16

[Article by Jan van Hoof: "Dove of Peace As Buyer of Arms"; passages enclosed in slantlines printed in boldface]

[Text] Again Secretary of State for Defense Van Houwelingen has created a lot of work for the arms industry. He was the first one who managed to force the Americans into considerable counterpurchases in our country. How much are those worth and how does a semi-pacifist feel as a buyer of arms?

Of course there has always been something contradictory in the position of Jan van Houwelingen as secretary of state for defense. A dove of peace as manager of our army's material. Actually, clash of arms is not in his line. The plank in the CDA [Christian Democratic Appeal] platform which wants to control conventional armament, is quite after his heart. Nevertheless, he developed into quite a buyer of arms.

In that capacity he recently returned proudly from a trip to the United States. He was there to negotiate the purchase of new Patriot missiles. This involves a sum of more than 900 million Dutch guilders. He was the first one to succeed in convincing the Americans to compensate that purchase for 120 percent with counterpurchases and participation (co-production) of Dutch firms in the production of the missiles. The same thing happened with an order in England. That explains the barely concealed pride; quite rightly of course. But does a near-pacifist like Van Houwelingen not have any problems with the fact that he is stimulating the production of military materiel? "I never was a pacifist. I fully understand the necessity of a good defense. In the old ARP [Antirevolutionary Party] (to which Van Houwelingen used to belong, Ed.) we had two priorities at the time: defense and development cooperation. That suited me well then and it still does." He consistently refuses the label of "nuclear pacifist."

Besides, according to Van Houwelingen the purchase of the Patriot missiles suits his efforts to reduce the role of nuclear arms. For, the non-nuclear Patriot will replace the nuclear Nike missiles.

It appears that during the negotiations with the Americans on the compensation orders, he played for high stakes. In December Van Houwelingen made it known that he considered the offer of the Americans completely inadequate. He had firmly decided to drop the purchase of the Patriot missiles if the Americans would not compensate the Netherlands more.

However, retrospectively he admits that he had few or no alternatives to fall back upon in case the Americans had indeed shown no interest. "We could have bought more F16-planes or the new nuclear Nike but I was not in favor of the latter because of political reasons." However, he assumes that the Americans were aware of that situation. According to him that did not play a role in the negotiations. "We stressed the alliance which cannot only be used when it concerns cruise-missile deployment. It is also necessary to overcome difficulties in other areas because otherwise it is impossible for Europe to build a united defense system. That tipped the scale in all talks."

/In political circles/ there is still much doubt about the value of the compensations offered by the Americans. What are the counterpurchases? Is it indeed a matter of highly technological products like the House of Representatives demanded, or also food supplies for the American troops in Germany? Even Secretary of State for Economic Affairs Bolkenstein--when he was in the United States in November to negotiate the compensation orders--let out in an interview that the long-term effect "is hardly worth anything."

At the beginning of this week Secretary of State Van Houwelingen could also not yet say what the counterpurchases of the Americans will be. A steering committee of defense specialists from both countries plus a representative of the Ministry of Economic Affairs, is presently studying this. However, Van Houwelingen denies that "flower bulbs" or food-parcels would be involved. It is a matter of mainly highly industrial products and for a small part service, for instance in the form of setting up a small plant for the maintenance of the Patriot systems.

Another problem is the extra costs of the co-production. In the past, orders for military material placed abroad with the stipulation that Dutch firms would collaborate, have cost an additional 750 Dutch guilders. For participation in the production of the F16-planes alone, 600 million Dutch guilders had to be paid. The co-production of Rolls-Royce engines which have been ordered in England and in which Dutch firms will participate for one third, will not incur extra costs.

According to Secretary of State Van Houwelingen it is impossible to avoid extra costs when the American Patriot missile is coproduced. However, according to him these extra costs have stayed within reasonable limits. Although apparently it is only a matter of stimulating employment, part of those extra costs is borne by the Ministry of Defense (the rest by the Ministries of Economic and Social Affairs), because the firms involved in the coproduction, will also get the necessary know-how and because an increase in production will also result in lower prices. This is in the

interest of Defense. "But the extra costs should not be unacceptably high. It is clear that over the past years too much has been paid," according to Van Houwelingen.

/The most important result/ of his talks with the Americans he considers to be the fact that the "two-way-system" principle has been accepted. For years there had been displeasure about the fact that we bought ten times as much from the Americans as they bought from us. That has now been stopped. Nevertheless, Van Houwelingen does not expect to be praised by everybody. "Undoubtedly the PvdA [Labor Party] will say that I should have gotten more out of it. That is easy to say. In those days under the Den Uyl-cabinet zero-point-zero commitment was obtained for the F16 and only 53 percent compensation orders. We negotiated at the verge of ruin, because I would really have considered it a bad case if the Patriot project had failed. Nevertheless we took the risk and said that the deal would be off if compensation were inadequate."

In spite of the compensation orders which have now been obtained from England and the United States, the factories of military materiel in our country are facing difficult times in the future according to Secretary of State Van Houwelingen. "The costs of manufacturing a next generation of arms systems are becoming too high. Small countries alone can no longer afford it." Therefore, he argues in favor of more collaboration at European level; in favor of standardization of NATO weapons and an allocation of tasks, so that not six different types of tanks will be made, not everybody buys everything and makes everything himself, because in that way much money is wasted.

Already since 1976 there has been a club with that task: the Independent European Program Group. But up to now it has achieved little as a result of national economic interests--people prefer to buy from their own industry --and pressure from the side of the military which wants to decide itself what will be bought where.

/Since January 1/ Van Houwelingen has been chairman of the IEPG [Independent European Program Group] and he wants to help restimulate the institution. According to him others now also see its necessity. "Everybody understands that task definition on balance is cheaper." But is he not afraid that his pioneer position at European level and his possible urge to come through as chairman will be at the expense of the interests of the national industry? According to him there is no such danger because without that European collaboration the Netherlands does not have a chance to be involved in the production of the next generation of weapons systems. "European collaboration is especially advantageous for small countries." Nevertheless it is his intention not to lose sight of national interest if conflicting interests occur. "It should not be that the Netherlands makes all the sacrifices for a European idea."

According to him it is possible that cheaper production of conventional weapons at a European level could result in achieving a decrease in dependency upon nuclear arms. Of course it remains to be seen whether the European allies will follow Van Houwelingen as far as his intentions for the IEPG are concerned.

Last week in an interview (in DE VOLKSKRANT) Van Houwelingen argued for a quick decision on the deployment of cruise-missiles in our country because due to this discussion not enough attention is given to the above mentioned problems with the conventional weapons which are developing at a gigantic scale.

However, for the time being he offers no opinion on what he as Secretary of State for Defense will do if the Parliament decides for deployment of cruise-missiles. Thus, it remains unclear for the time being whether, when a decision is made to deploy cruise-missiles, Van Houwelingen will again be flexible enough to carry out that decision as secretary of state or whether he will resign.

12433

CSO: 3614/44

ARMED FORCES CHIEF HAUGE CITES THREAT FROM KOLA BUILDUP

Oslo AFTENPOSTEN in Norwegian 7 Feb 84 p 9

[Article: "Kola Forces Weaken Norwegian Defense Capacity"]

[Text] Over half of the Soviet navy's submarines with strategic nuclear missiles are based on the Kola Peninsula--less than 100 km from the Norwegian border in Finnmark. The Kola base's vulnerability can thereby also contribute to increasing the threat against Norwegian territory.

Armed Forces Chief General Sven Hauge said this in an address at the Norwegian Atlantic Ocean Committee's seminar on Monday. In the address the armed forces chief made it clear that Norway's defense capacity has been weakened in recent years. This is because of a combination of two reasons:

The Soviet buildup of forces on the Kola Peninsula, and the reduction of Norwegian military budgets.

If the present budget development continues, the Norwegian military defense system must reduce its objective, General Hauge said.

Something of this development had been foreseen in Norwegian quarters, especially through the painstaking work done in the Defense Commission of 1974. But the development has proceeded more quickly than expected, the armed forces chief emphasized.

"Among the trends which have brought us into this new situation are the increasing use of assault helicopters in Soviet army divisions, the building of new large types of surface combat vessels and the buildup of submarines with nuclear missiles on the Kola Peninsula," he said.

The helicopters are the reason for major concern among Norwegian military planners, it appeared from the general's address. Previously the rugged Norwegian terrain had always been counted on as a good ally in a possible defense of Norway. "Development of the Soviet helicopter force and the introduction of assault helicopters will in such a situation strongly reduce the advantage Norwegian defense forces have always had in our country's rugged terrain," he said.

"The development of the Soviet navy's surface forces is also alarming. A typical feature is the trend toward larger vessel types, as, for example, the totally new 'Slava' missile cruiser. This vessel is equipped with, for one thing, 16 launching tubes for cruise missiles with a range of over 500 km, besides both missile and gun antiaircraft defense systems," he said.

In order to gain a correct understanding of the threat the Kola Peninsula's military installation constitutes, it is necessary to take into consideration also other forces than those which are directly stationed there, the armed forces chief believed. There are 16 military airfields in the area. The Soviet Union has demonstrated at regular intervals that their air forces can be quickly transferred to new bases.

Armed Forces Chief Hauge emphasized that the Armed Forces Commission's picture of the threat has become even gloomier because the fighting power of Soviet forces has increased more quickly than was foreseen. It is necessary to follow up the commission's recommendations, he said.

8985

CSO: 3639/72

DEFENSE MINISTER REJECTS REQUEST FOR HIGHER APPROPRIATION

Oslo AFTENPOSTEN in Norwegian 8 Feb 84 p 4

[Article from NTB [Norwegian Wire Service]: "Defense Budget Increases 3.5 Percent: 'Unrealistic to Appropriate More'"]

[Text] "It is not realistic to expect large extra appropriations for the armed forces over and above the real annual increase of 3.5 percent which the government is preparing for in the period 1984-1988," Defense Minister Anders C. Sjaastad said in a comment yesterday to Armed Forces Chief Sven Hauge's pronouncements that the armed forces require an additional 2 billion kroner a year over and above today's budget in order to prevent a weakened defense capacity. About 20 percent of the defense budget today is used for heavier procurement of materiel. Sjaastad hopes to be able to increase this share to 25 percent before the end of 1988 and to 30 percent in the next planning period.

"A major task of the armed forces is to make the best possible use of today's resources, for one thing, by carrying out suitable efficiency measures. But the armed forces are operating a sprawling business many places in the country and we cannot expect any big immediate results from efficiency measures," Sjaastad said.

"I have great understanding for the demands of the professional military, but the dilemma for a cabinet minister is the dividing line between demands from one's own ministry and the government's general outlines. With a real growth of 3.5 percent annually and better utilization of resources the government thinks that Norway will have a satisfactory war-averting capacity," the defense minister said.

8985

CSO: 3639/72

DEFENSE MINISTRY OFFICIAL DEFENDS STOCKPILING OF ARMS

Oslo AFTENPOSTEN in Norwegian 10 Feb 84 p 11

[Article: "Permanent Undersecretary Regarding Stockpiling: 'Does Not Mean Undermining of Norwegian Policy on Bases'"]

[Text] "It is not correct when it has been suggested on the part of the Soviets that the stockpiling of American materiel in Central Norway implies undermining of the Norwegian policy on bases. This stockpiling is, on the contrary, a condition for being able to maintain the policy that there are not to be foreign military bases on Norwegian soil in peacetime."

With these words Permanent Undersecretary Kjell Colding repudiated, in an address in the Atlantic Ocean committee yesterday, the recent contentions in Soviet agencies. Colding emphasized that it is the Norwegian armed forces which will have the main responsibility for defending our country in a war situation and it would be an advantage if the debate could concern this totally central question and the fact that the stockpiling does not include nuclear weapons.

"Our own security policy position is the result of our geographical location," Colding pointed out. "It is not the result of our NATO membership."

"We are located in an area which militarily ceased to be an outlying area long before we really became aware of this in Norwegian policy. This realization leads to the conclusion that any relaxation of tensions in East-West relations and especially between the two superpowers will be of fundamental importance to us. Therefore, rapprochement and detente are first bids in our foreign policy."

"Our base and nuclear policy represents in reality the most comprehensive measure for arms control which any European country, in the East or West, has undertaken voluntarily and unilaterally. Both superpowers have understood the clear signal present in this and a change on Norway's part will hardly be in their interests. But is precisely for this reason that it is so important to emphasize that Norwegian security policy is fixed in its entire scope, and that we neither have plans to, nor will we allow ourselves to be pressured to, change the present pattern," Colding emphasized.

Although the talks on medium-range missiles in Geneva have been broken off, Colding had no doubt that NATO's two-track solution and deployment were correct. He also found it strange that in the debate stricter demands had been placed on the West regarding weapons which did not exist than there was willingness to place on the Soviet Union, which has had such weapons for years. Such attitudes have contributed to weakening of support in the opinion regarding the West's negotiation stance, Undersecretary Kjell Colding said, who expressed his hope that it will again be possible to return to the broad agreement in Norwegian policy regarding the security question.

8985

CS0: 3639/72

DEFENSE MINISTER DISCUSSES SOVIET STRENGTH, NATO ROLE

Oslo AFTENPOSTEN in Norwegian 18 Feb 84 p 2

[Article by Defense Minister Anders C. Sjaastad: "Norway's Defense Effort"]

[Text] The discussion regarding our national defense effort is more intense today than in many years. The central question which is being asked is: How is our defense capacity, measured against the possible military threat we face? This article is an attempt to answer this question.

Most by far seem to agree that the conventional level of strength in the NATO countries cannot be viewed independently of the alliance's nuclear weapons and the American nuclear guarantee to West Europe. On the other hand, there seems to be a certain disagreement as to whether our own defense--which is purely conventional--is good enough for its war-preventing role in our part of NATO territory.

We realize that Norway is in a strategically exposed position and there is nothing to indicate that Norwegian territory will have less military importance in years to come. On the basis of this assessment our standing forces are concentrated in North Norway, which is the part of the country which is most threatened. In addition, we have taken the consequence of the fact that we cannot alone avert a direct attack on Norway by the Soviet Union, even with utilization of the entire population's defense strength. A national defense system therefore has meaning only when we see it in the context of our NATO membership and the measures which are taken to render reliable the rapid transport of allied forces to strengthen the defense of NATO's northern flank. There is therefore little sense in talking about our "relative defense capacity" in a comparison between just Norwegian forces and the Soviet, whether regionally between North Norway and the Kola Peninsula, or for the country as a whole, measured against all that there is in the Leningrad Military District, for example.

However, this does not mean that we can slack off as far as our national defense measures are concerned and lean accordingly more heavily on our allies. Nor are we doing this; but through the many agreements with our most important allies regarding stockpiling of military equipment in Norway we are busy with

finding a solution to the most acute security problem we have lived with since the beginning of the 1970's.

Then the Soviet Union began seriously to demonstrate its naval capacity for operating along the Greenland - Iceland - Great Britain "line." In a crisis this would leave Norway behind a barrier which our allies would have problems in penetrating in order to come to our rescue by sea. Through stockpiling we will gradually be able to assure ourselves that troops can be flown in and that the time for transporting can be reduced from 3 to 4 weeks to almost just a few days. And our policy regarding bases can remain unchanged. The annual exercises in Norway with our allies are contributing further to ensuring that reinforcements not only can reach their destination, but also can fight effectively in Norwegian terrain in the winter in cooperation with our own forces.

The Soviet Union had a formidable growth in military outlays during the 1970's. In the first half of the decade the annual increase was 4 to 5 percent. This growth was reduced to half for 1975-80. Still, the Soviet Union uses about 13 to 15 percent of its gross national product for military purposes. The equivalent figure for NATO countries is under half of this.

More important than the spending of money itself, however, is the military capacity represented in the form of new materiel, training and preparedness. The Soviet Union has procured large amounts of advanced weapons in recent years. For several types it remains to be seen whether they can replace the number they had of older materiel. However, we see that they are keeping many older weapon systems in addition to new advanced types. All in all the forecasts of Soviet weapon procurement up to 1990 provide reason for concern. If we consider the Soviet forces on the Kola Peninsula we can declare that the buildup of naval forces is continuing at the same rapid pace. The Northern Fleet is being constantly modernized and is getting more long-range and accurate weapon systems. As far as airplanes are concerned, it is still the long-range naval reconnaissance planes and bombers which dominate, together with air force fighter planes. Fighter-bombers are not stationed permanently on the Kola Peninsula. But we, of course, are aware of the fact that planes are precisely the fighting element which can be transported quickly, on the part of the Soviets, as on our part. Besides, on the Kola Peninsula there is a significant number of well equipped and well protected airfields which can receive large plane reinforcements. Generally, it can be said that the Soviet Union's strategic fighter planes are getting increased range and fighting power, and the introduction of fighter and transport helicopters is improving the Soviet forces' capacity for rapid transport even in nearly inaccessible terrain.

The buildup of Soviet military forces in our close vicinity has, for that matter, in major features followed the general development trend elsewhere in the Soviet Union. However, the more long-range and globally important weapon systems have been built up more heavily than the forces which are directly considered a threat to Norway. However, in recent times the army forces, marine and infantry brigade and air defense forces on the Kola Peninsula have also been considerably better equipped. The marine infantry brigade in Pechenga has been increased somewhat in numbers over the last few years to

about 3000 men. But the same two motorized infantry divisions are still there, each with about 13,000 men, as the most important potential for a surprise offensive against Norwegian territory.

None of the countries in NATO have managed to keep step with the Soviet military buildup in the 1970's, including Norway. At the same time I do not want to omit reminding of the modernization measures which have been taking place on our part when we call attention to the buildup of Soviet forces.

Through a 3.5-percent increase in defense budgets for the next five years we will be able to procure very high-priority and effective weapon systems which are especially equipped against the threat we face. The F-16 planes will to a great extent improve the air force. The Penguin naval-target missiles which we got in the 70's are very well suited to the anti-invasion task. Modern antiaircraft defense systems for airfields and brigades will to some extent be able to be regarded as a countermove against the introduction of fighter helicopters and more advanced airplanes in the forces on the Kola Peninsula. The new modern submarines in the navy will have greater range and firing power. Our radar warning network, coast guard artillery and escort vessels will be upgraded.

We will never get an adequate measure of our defense capacity, measured against the threat we can be faced with in a given situation. But we should certainly beware of exaggerating both the possible attacker's strength and our own weaknesses. We must also not underestimate the job we are faced with and the modernization requirements which exist.

8985

CSO: 3639/72

ANCIAUX ON ECONOMIC RELATIONS BETWEEN REGIONS

Brussels LE SOIR in French 17 Feb 84 p 1, 2

[Article by Vic Anciaux, president of the Volksunie]

[Text] On Saturday evening the Chamber of Representatives adopted by majority vote a bill on the past balances and expenditures of the Communities and Regions and on the national sectors.

The discussions on this bill brought to light a whole series of contradictions. The Flemish ministers and the spokesmen for the Flemish majority parties tried to show in every way they could that they bill represented an actual--and not just legal--step forward towards federalization of the national sectors. But there were also the almost arrogant statements by Minister Gol spelling out all the advantages of the bill, all of which led to the inevitable conclusion that no federalization of any kind is involved in the bill.

I do not want to get implicated in the game of ambiguity being played by the members of government. Be that as it may, the famous bill constitutes a monument of confusion, deception and duplicity. It is a striking example of intentional deceit between spouses.

And, that is not all! The debate in the Chamber brought out the chasm which separates the two great communities in the country. You would have to be blind not to see it. The desire for increasing autonomy is felt on the Walloon side as well as on the Flemish side. Compromises for the sake of unity and pat solutions found for financial and economic problems do not satisfy anyone anymore.

Both Wallonia and Flanders feel as though they have been duped in this affair.

I understand only too well Wallonia's desire for greater autonomy. The Walloons are faced with enormous social and economic difficulties. They are just afraid that, with the country's unified structure, they will be overpowered by an economically superior Flanders. I will leave the analysis of the decline of Wallonia to Maystadt and Dehousse. But they must understand that Flanders has also been severely affected by the crisis, and that the

economic fabric which the Flemish have woven on their own is also increasingly deteriorating. They must understand that Flanders has been hit harder proportionally by unemployment. Above all, however, the Walloons must realize that the Flemish cannot be blamed in any way for a lack of solidarity.

There is a tremendous national solidarity, in fact. This solidarity, however, only goes in one direction. All the scientific studies of the past few years show that regional financing flows have all been directed from Flanders to Wallonia. It is not a matter of a few items of little importance in the national budget. Nor is it a matter of a few fragmentary figures which could easily be falsified. What we are talking about is the overall government finances. The sum of the balances of the regional current accounts for the period 1975-81 comes to +28.7 billion francs for Flanders, -732.5 billion for Wallonia and -32.9 billion for Brussels. This clearly shows that the Belgian government deficit during these years was almost entirely made up of Wallonia's debt. Since then Flemish reserves have been virtually depleted in this unified Belgium. As for the other national economic sectors, the so-called balances between Flanders and Wallonia have been completely distorted, at the expense of Flanders, by the decisions of 26 July 1983 and the bill that was just passed!

In actuality, 44.7 percent of the financial resources go to Flanders, and 55.3 percent to Wallonia.

This is in remarkable contrast with the data on unemployment. In the same time period, employment in the national sectors went down by 55.5 percent in Flanders and 44.5 percent in Wallonia. The Walloon argument on Zeebrugge and the Limbourg coal mines does not hold water. Wallonia has always been compensated for Zeebrugge and the coal mines in Wallonia were subsidized long before the ones in Limbourg. As much as there might have been national solidarity towards Flanders in the past, this was when Flanders was shamefully poor, when thousands of Flemish workers had to migrate to Wallonia and when Flanders lived under the hegemony of the French-speaking community. The Flemish community does not reject the principle of solidarity, and neither does the Volksunie.

But this term cannot be abused. We are not willing to continue contributing to an unreasonable, automatic and opaque solidarity on the basis of the constant blackmail of a parity sharing of power with the Walloons. For this is a destructive solidarity, totally depleting Flanders' national energy, without really boosting the Walloon economy. We can only accept a solidarity approved by the Flemish community itself.

It must be a solidarity whose scope we too can determine, one whose uses and modalities would be established by mutual agreement.

This has nothing to do with a selfish obsession for a "fair return." It is merely an expression of a realistic and objective analysis of mutual interests, and especially of a major sense of responsibility. This major sense of responsibility stems from equity; it is the only lasting value, that can finally take away this bitter after-taste of the impression of always having been duped.

9805

CSO: 3619/31

MULTIPLE CAUSES OF 'FOREST DEATH' EPIDEMIC

Duesseldorf WIRTSCHAFTSWOCHE in German 27 Jan 84 p 40

[Unattributed article: "No Definite Proof As Yet"]

[Text] Current research findings have as yet been unable to assign a definite cause to the death of the forests. Climate and water ecology are just as likely to be responsible as air pollution or an infestation by insects. Forestry expert Bernhard Ulrich puts it this way: "A process as complex as injury to a forest ecological system cannot be pinned down because the sequence of causes cannot really be repeated under anything like scientific laboratory conditions." Nonetheless, the theory that acid rain—which consists of sulphur dioxide and nitric oxide—is responsible for the problem is gaining ground. A pamphlet published by the Bavarian ministry for food, agriculture and forestry states that "at this time our forests are endangered by a sickness which is progressing dramatically. The primary cause of this sickness is air pollution which affects the trees in the form of acid rain, gas or dust. The burning of coal, oil, gasoline as well as natural gas and wood is responsible for most of the air pollution. In addition, there are many poisonous substances freed by chemical reactions which contribute to it." It is estimated that some 3.5 million tons of sulphur dioxide and some 3 million tons of nitric oxide pollute the air in the FRG each year. This corresponds to about 60 kilograms of sulphur dioxide and 50 kilograms of nitric oxide per inhabitant per year. The tall chimneys of power plants and industrial plants permit the gases to rise into higher layers of the atmosphere where they can then drift hundreds of kilometers. And as they do, they become involved in chemical reactions. The sulphur dioxide, for example, turns into sulphuric acid and into solid sulphate particles. The nitric oxide turns into nitric acid and into nitrates for the most part. These substances are then deposited on the ground or on trees. When solid sulphate or nitrate particles settle in this manner, this is referred to as dry deposits.

When the sulphur dioxide or nitric oxide dissolve in rainwater, fog or snow, the result is referred to as wet deposits. According to Rainer Griesshammer, the head of the environmental chemicals research team at the Freiburg ecological institute, there are three ways in which injury may take place. The trees may suffer damage from the gases directly through their leaves or are injured by water running off. In the long

run, the soil itself may be affected by acid rain. Soil acidity increases; microorganisms die out; heavy metals and aluminum are set free and do harm to the roots of the trees.

The trees weakened in this manner are more likely to suffer secondary injury from bacteria, fungus, dryness or snow weight. The North Rhine-Westphalian institute for emission control believes nitric oxide and ozone formation are primarily responsible for the death of the forests. Ozone develops as a product of the chemical reaction between sunrays and nitric oxide which makes up about 45 percent of motor vehicle emissions.

9478

CSO: 3620/180

FORESTRY RESEARCH, ASSISTANCE EFFORTS FAULTED

Duesseldorf WIRTSCHAFTSWOCHE in German 27 Jan 84 p 42

[Interview with Baron Riederer von Paar by WIRTSCHAFTSWOCHE editors Klaus Goeppert and Wolfgang Kloeters; date and place not given: "Too Much Talk; Too Little Action"]

[Text] WIRTSCHAFTSWOCHE discussed ways of coping with the impending forest catastrophe with Baron Franz Riederer von Paar, director of forestry in the administrative offices of Prince Johannes von Thurn und Taxis, proprietor of one of the largest private forest holdings in the FRG.

[Question] Baron Riederer, the forests are dying. Is enough being done to prevent that from happening or is there simply a lot of talk ?

[Answer] There is in fact too much talk and too little action. But as far as research into the causes is concerned the situation has improved as against 1½ years ago when the research activities throughout the country were rather chaotic. Every scientist who needed one more assistant quickly got on this bandwagon just to get a research grant. Now that the research advisory council has taken charge at the government level things are beginning to improve.

But given the rate at which the forests are now dying, it might be better to let freedom of research take a backseat. It would make sense, I think, to develop a catalogue of research needs; to establish interdisciplinary or even inter-university research teams and to fund them accordingly.

[Question] And what are the various interest groups doing to prevent the destruction of the forests ?

[Answer] Taken together, the forestry associations are a terribly weak bunch. The reason for it is that the forestry experts who are active in these associations—almost 90 percent of them are employed by the government. This type of white collar thinking prevents the representatives of the associations from speaking their mind in public. And the private owners of forest land—who operate mixed forestry and agricultural enterprises almost exclusively—are in virtually all instances more interested

in the agricultural side of the business. If a major owner like the Prince of Thurn und Taxis started rebelling, many people would say in his case it does not matter anyway.

[Question] Then what, of anything, is to be done ?

[Answer] These things would just have to be handled in a more professional manner. What the forestry industry asked for originally was that a state secretary be appointed by the chancellor to coordinate—in the chancellor's office—all activities pertaining to the death of the forests. But by now I am no longer sure that this would work out. There is a danger that it would lead to the creation of a sub-ministry which nobody really wants.

[Question] As a private owner, you will soon be faced with the problem of having to get rid of an oversupply of wood. Are there any real ways of dealing with this ?

[Answer] It would make sense, of course, to step up advertising aimed at greater use of wood. But in the end that really is not going to get us anywhere. Or rather, such a campaign would not start having an impact until we reach the point where there is no more wood to be had.

Stepping up exports does not offer much of a chance, either. The death of the forests, after all, is not limited to the FRG.

[Question] What about the import restrictions which many are asking for ?

[Answer] There is no way we can make up for the tropical woods; and as for cellulose sulphates and certain other kinds of wood products, we simply cannot manufacture these domestically. I have figured out that we would be in a position to make up for some five to seven million cubic meters of imported wood—unless the FRG cancelled its membership in the EEC. That comes to 20 percent of what we normally cut down. I do not think this would be enough for us to ride out a crisis. .

[Question] That leaves only the possibility of laying in wood to provide for some future shortage.

[Answer] You are right. That is one of a very few possibilities. Up to now, we were always dealing with one-time catastrophes occurring within the space of a few hours. In the year that followed, we made up for it by cutting down fewer trees. But now we have these huge supplies upon us and these huge stores building up.

[Question] How can you possibly fund this type of situation ?

[Answer] We are running a very big risk, of course. We have to add the storage costs to each year's harvesting expenses. And, we do not know how long we will have to leave the wood in storage. But then again there is no other way that I can see.

[Question] Under these circumstances, will you be able to survive without subsidies ?

[Answer] We will not; I am quite sure of that. What I do not know as yet is what type of subsidies we would need to get. In the past, there used to be disaster subsidies that invariably made it into the wrong pockets.

[Question] Can you cite any examples of that ?

[Answer] When there was major snow damage in Bavaria, the local politicians would put on a big show, promising freight subsidies although they had no clear idea how these would be managed. At one time, there was talk of granting subsidies based on the number of cubic meters and then it was subsidies for freight that had to be hauled in excess of 100 kilometers. The debate went on for a number of months and the upshot was that we did not sell anything throughout this time because everybody was holding off to see how much of a subsidy would be approved. It worked out the same way in Lower Saxony in 1972. Subsidies and free market practices have no trouble coexisting at all. But as for freight subsidies, they are of value in resolving regional problems primarily. If you are dealing with a countrywide problem of too many trees being felled, this whole approach is of no use.

When you run into a regional problem, the freight tariff regulations for damaged wood should be suspended. We would then get some rather profitable offers on the free market. Other sensible steps which might be taken would include subsidies for setting up storage facilities or government help in reforestation. The fact is that many owners will soon no longer be able to afford it on their own.

9478

CSO: 3620/180

'FOREST DEATH' HAS GRAVE ECONOMIC CONSEQUENCES

Duesseldorf WIRTSCHAFTSWOCHE in German 27 Jan 84 pp 36-43

[Unattributed article: "Disgusted With Abundance"]

[Text] The experts are still fighting among themselves about the causes but we cannot wait for them to agree on one. The forest is dying now—and perhaps along with it entire regions and sectors of the economy. The impending ecological catastrophe is having an impact on the economy.

The German forest owners are rehearsing to stage an uprising. In the city halls of communities which own woodlands and among the owners of forests, there is a movement afoot to go to court to protest the destruction of the forests. Those accused of wrongdoing include the federal government, the Laender and industry—above all the firms which supply energy. Franz Gebele, whose family has been in Wolfach for 400 years and living off the Black Forest throughout that time, said "my children will be without a livelihood" when he brought suit against the federal government last December before the Land court in Offenburg for endangering his livelihood. The 45 year-old forest owner, who claims he has lost DM 85,000 by now, calls the damage done "equivalent to expropriation." He charges that the government has thus far failed to pass laws and regulations which would quickly and efficiently deal with the problem.

Suits have also been brought against those allegedly responsible for the problem. Karl-Friedrich Binder, the lord mayor of Schwaebisch Hall for example, in his capacity as chairman of the forest-owning, city-operated "Holy Ghost Hospital Foundation," went before the Land court in Stuttgart against the Swabian Energy Corporation (EWS), the operator of the coal-powered Heilbronn-Neckargartach power plant. Under German law, such charges may be brought. An accessory, in fact, may be sentenced to full compensation for damages, if the plaintiff can prove responsibility. Many of the plaintiffs, in fact, are saying that a kilowatt hour of electricity would cost only one pfennig more, if the power plants were to use more ecologically safe fuels. Which of the two legal avenues—the one against the power plants or the one against the government—will succeed remains to be seen, if indeed legal victories can be won at all. Prof Burkhardt Krebs,

a Cologne legal expert, says it is best to bring suit against one of the possible adversaries first and merely to present the other party with a bill of particulars. If the plaintiff loses the first court battle, he can under these circumstances always hale the other party into court subsequently.

But in these suits it is not only a matter of the finer points of law. By proceeding in this manner, the plaintiffs also mean to apply political pressure. "If the courts are being called upon by all and sundry, the political climate will have to change sometime," says Augsburg forestry expert Wilhelm Leichtle. But the fact is that the politicians are making a lot of noise rather than coming up with a crash program to save the dying forests. A first study prepared by the ministry for food, agriculture and forestry in 1982 found that almost eight percent of all FRG forests are affected in one way or another. By last fall, Minister Ignaz Kiechle found that the damage had increased fourfold in the course of 1983 (see table). The experts, for that matter, had called the findings of the initial study too optimistic.

By now, the highest impact stage has been reached in specific areas of the Fichtel Mountains, the Oberharz, the Black Forest and the Bavarian Forest. Karl-Friedrich Wentzel, the former head of the forestry department of the Hesse Institute for Ecology, says the consequences of such damage ranging all the way to total ruin can be plainly seen in areas such as the Erz Mountains. Healthy forests have been replaced by the total collapse of woodland ecological systems built up by nature in the course of hundreds of years. Grassy steppes—one of the most primitive soil covers which are also unproductive—predominate in the landscape. "The wind whistles without let or hindrance over the mountaintops," Wentzel says. "The rain pelts the ground and makes it dense and hard. The excess water rushes down into the valleys. Since the soil cannot retain it, the water runs off rapidly. Let no one harbor any illusions. There are areas in the FRG where this will happen in the very near future." The water supply people, on the other hand, appear unconcerned. "We are not worried about a quantitative problem," one of their spokesmen says. In other words, the soil will retain its capability to absorb water. But water experts are drawing attention to another problem which has not been investigated sufficiently thus far. They suspect that as the acidity of the soil increases metal alloys are produced which could filter down and thus reach the water table. A ministry for research and technology report says that "it has not yet been determined whether such a danger exists or not."

For that matter, there still is a controversy about the methodology used to analyze damage to the forests. The Federation of Chambers of German Industry and Commerce, for example, is saying that it is impossible to come up with an overall summation of forest damage and with overall growth rates as compared to the study covering the period from 1982 to 1983. These two recent studies have come up with entirely new data and as for forest damage, that fact has been known for more than 100 years.

In fact, the scientific experts do not agree on what really is behind the increase in forest damage. The possible causes cannot be determined with any degree of certainty at this stage because the early warnings of a woodland apocalypse, expressed some time ago, were never heeded. The death of the pine trees as long ago as the late forties was not taken seriously. But the competition among the experts looking for causes which has come much too late is making people uncertain rather than clearing things up. Karl-Eugen Rehfuess, professor of soil science at Munich University, says that because the dispute about the various working hypotheses is being aired publicly even the practitioners are unable to arrive at a proper assessment of the dangers and to come up with a firm point of view.

This dispute has the potential of costing the German economy a lot of money. The working group of the German forestry owners associations estimates that the losses due to forest damage already amount to DM 1.7 billion each year. A study conducted on behalf of the federal ecology office has put a DM 4 billion price tag on losses to the economy due to air pollution. The League of German Cities and Communities puts the lumber losses alone at DM 1.5 billion a year. Added to this are the costs to be incurred for measures aimed at preventing and eliminating forest damage. According to the German Farmers League, there are 100,000 full-time and 700,000 part-time workers employed by the German forestry industry. The lumber industry employs another 700,000 workers and it achieved a sales record of some DM 90 billion in 1981. The farming lobby warns that the planting of new forests on a large scale would confront forest owners, authorities and supply organizations with tasks never before attempted and with virtually unsurmountable financial and technical problems.

To give an indication of the possible extent of major damage, Prof Horst Dieter Brabaender, who teaches forest management at Goettingen University, has come up with the following set of figures: A theoretical loss of 12.6 million cubic meters of pine is equivalent to a loss of income amounting to DM 1.5 billion. These losses would not only have an impact on the industry itself, however, but also the forestry labor force. The timber cutting activities lost as a result of a lower growth rate would be equal to the work performed by 10,000 forestry workers over the course of a full year. And this would amount to a loss of labor income totaling DM 400 million. In addition, there would be economic consequences resulting from lower profits in other sectors of the economy ranging from idle sawmills all the way to the tourist industry. According to government statistics, the tourist industry is responsible for earning as much as 3 percent of GNP and provides work for some 1.5 million people. But these generalized figures tell very little about the potential fate or even the economic demise of entire regions and communities which are dependent on the tourist trade for their existence. The idyllic Black Forest town of Hinterzarten, for instance, plays host to 85,000 tourists each year. That is almost 40 times the number of inhabitants of this single-economy area.

"Almost all of us here live off the tourist trade in one way or another," says Rudolf Schlegel, the managing director of the local tourist office. There has not been any impact on bookings so far but the tourists are beginning to worry that things may not be as idyllic much longer. "As the forests continue to die, it affects the existence of our community in equal measure," Schlegel says. "We do not have any alternative to the tourist trade."

Wherever there are no woods to bring in the tourists, the rest of the economy dies a quick death, too. Current prices for wood are not affected by forest damage in the first instance, according to Ernst Frisse, the lumber and forestry expert of the Central Marketing Association of German Agriculture (CMA). But nobody knows what will happen when wood from diseased trees begins flooding the market. The drop in prices, he says, is due to less demand by the construction industry on which the lumber industry depends for 60 percent of its sales. In addition, the German lumber market with sales of 30 million cubic meters—half of which are imported—is being flooded with imports at dumping prices. "That makes it hard to stay competitive," Frisse says. State trading nations such as the GDR, the CSSR or Poland, which are hungry for hard currency, are selling lumber at half the market price.

A study by Prof Horst Dieter Brabaender and Michael Behrndt of sales trends in the forestry industry of Lower Saxony from 1955 to 1980 has come up with little to please the industry. In the FRG as a whole, lumber profits per cubic meter in state-owned forests went up 150 percent during that time frame while the purchasing power of these profits in real terms was cut in half and costs rose threefold in spite of massive efforts to increase efficiency.

Such scenarios are piling up as the public is being sensitized more and more by press, radio and television to the sad state of affairs. The optimistic reports which were constantly being given out until a short while ago are now being loudly disputed. There is a greater awareness of the fact that those who fail to act today may soon be faced with widespread deforestation. Prof Hansjuerg Steinlin, the director of the institute for ecology at Albert-Ludwigs University in Freiburg, feels that "all prior considerations on how to increase the production and consumption of lumber have become obsolete." Over the next few years, the experts agree, diseased trees will flood the lumber market.

The problems arising from this are multifarious and they will have a long-term impact, starting with an oversupply of lumber and ending up with a shortage. The furniture industry, at any rate, will certainly not be able to absorb the impending oversupply of wood—not even at rock-bottom prices. "The German furniture industry is having a difficult time of it as it is holding its own against foreign competition, particularly from the low-wage countries," says Manfred Andreas Baums, the executive director of the

central association of the German lumber industry. For another thing, he says, German woods—with the exception of the traditional oak—do not suit the consumer's taste.

But the industry is tying some of its hopes to the new softwood trend which is being carried along by the Ikea furniture wave and may signal a return to the popularity of Alpine-type furnishings which more or less went out of style 70 years ago. The industry also hopes that a design prize awarded at this year's Cologne furniture fair may revive interest in beechwood which was in great demand many years ago in the heyday of Thonet furniture. But this is not likely to be a big help for the wood and lumber industry.

Nor is construction industry demand for wood likely to increase in the near future unless the economy makes an astonishingly great leap forward. "This means that we will have to come up with new uses for our wood and, in turn, with new markets," says Baums. But that calls for developing new products that use wood as an inexpensive raw material. But Baums' hopes are none too high in this respect either. "That is a difficult business," he says. For that matter, a diseased tree need not necessarily yield inferior wood, since loss of quality occurs in most instances shortly before the tree actually dies—primarily as a result of secondary factors such as an infestation of bark beetles. But the lumber industry is getting more and more suspicious even about good quality wood which comes from timberland that has suffered some damage. Since the sick trees are less resistant to secondary injury the longer they are subjected to air pollution, it is all the more understandable that the lumber industry is in favor of cutting down these sick trees as early as possible.

But this raises some major silvicultural and forestry management problems for the experts. If the trees are cut down too late, the danger of insect infestation becomes all the greater. On the other hand, if ailing trees are cut down too fast, the supply of wood would increase to such an extent that prices would drop below the minimum subsistence needs of the growers. "If we cannot cover costs, the wood will just have to rot in the forests," says Joachim Pampe, the general manager of the working group of the German Forest Owners Association. But according to Adolf Zerle, a top official in the Bavarian ministry for food, agriculture and forestry, even if there were some success "in holding the balance," the quantity of available fresh wood would decline while that of dry wood would increase because secondary damage would be on the rise. Often enough, he says, the insects get to the trees first in spite of all the care taken by the foresters and forest workers. Fresh wood is needed above all by the paper industry some 6 weeks after it is cut. Otherwise, it dries out and can no longer be used. In the future, Frisse says, the following situation might arise: "Since fresh wood has to be cut to meet demand, it will no longer be possible to find a market for the timber that has to be cut because of forest damage." On the other hand—as paradoxical as it may sound—the very fact of oversupply

could even lead to shortages because the main need of the fiberboard and cellulose industry is for slender trees—or weakwood—which accumulate when the forests are weeded. But some of the Laender are already beginning to postpone weeding in favor of first cutting down sick trees. The ecological rationale behind it is that the forest lands should not be made any less dense than they already are because this would give air pollutants an even better chance of doing damage. Frisse has also come up with following bit of simple arithmetic. "The cost of collecting the weakwood stands at DM 50 to DM 60 per cubic meter," he says, "and that is DM 20 more than the grower can get for it on the market." Freiburg forestry expert Hansjuerg Steinlin believes that cutting the trees down at an increased rate could get the FRG to a point in the space of the next 7 years where timber use will climb from 30 million to 90 million cubic meters a year. "In other words," Steinlin says, "within 7 years 420 million extra cubic meters of timber would reach the market." Everyone, he adds, needs to become aware of the magnitude of these problems and not just look the other way. Ministry official Adolf Zerle, on the other hand, does not believe the outlook is that bleak. "These calculations are not based on real figures. They do not tally with what we actually see out there in the woods. Those are mere hypotheses of some scientist."

Nonetheless, all the forestry and wood experts do agree that if the forests continue to die at the present rate, there will be an oversupply of timber under any circumstances—even if its extent may be subject to speculation. Against this background, Horst Dieter Brabaender does not see a chance for the growers within the context of a free market economy. German forestry law stipulates that an owner may cut down only as many trees as have grown up in the course of time. The idea is that German forest lands should be preserved at existing levels. "These regulatory intrusions, which are unparalleled in any other sector of the economy," Brabaender says, "run directly counter to the principles of a market economy. They impose a set of procedures on the lumber industry which it can no longer afford because it is no longer paying for itself." At this stage, he says, the industry must either be subsidized or the preservation of existing levels principle must be discarded. The industry itself feels differently, continuing to uphold free market principles. There is a good reason for that. The free market economy makes it possible for the industry to buy domestic and imported lumber at lower and lower prices. "As for industry," Adolf Zerle says, "they are not in the same boat at all."

But the industry might in fact really be faced with a threat to its very existence. Many forestry experts including Adolf Zerle are therefore calling for closing off the German market 50 percent of which is still being supplied from abroad at this time. "You cannot begin to deal with this catastrophe without giving thought to limiting imports," he says. "This is all the more apropos because there is a very real danger that the state trading countries will dump their own accumulations on us." In the crisis year of 1982, for example, when all production figures were down, the GDR doubled its deliveries to the FRG of industrial lumber and semi-finished goods and tripled its deliveries of sawed wood.

But such government intervention would not by itself be enough to set things straight because some of the imported items are not manufactured domestically or there is a ban on their production for environmental reasons. And for another thing, it is questionable whether the domestic lumber processing industry has the capability to process the additional quantities of domestic wood.

As far as the sawmills are concerned, the answer no doubt is yes, since they are currently working at barely 50 percent of capacity. But many of the imports of wood products are in the cellulose and paper area and in this sector of the industry, the plants are already working around the clock. But since the oversupply of wood cannot last forever, if the trees continue dying, it would not be worthwhile to invest in new machinery or to expand production. Steinlin figures that the German industry could take care of about half the current imports. "But this could only be done at a price level," he says, "which allows the processing industry to stay competitive as against the current importers." Frisse, too, is skeptical with regard to import restrictions. "I am not really taken with the idea of trying to dam up a waterfall," is the way he puts it. "In the end, the water will always find another way."

Another way of handling the oversupply issue would be to step up exports. But the chances of exporting huge quantities such as Steinlin envisages are rather slight—the more so since neighboring countries such as Austria, Switzerland or France are faced with much the same problems as the German lumber industry and thus will not be in the market to buy from us. That would leave faraway regions like the Near East or the Persian Gulf area. Thus far, however, our small and medium-sized lumber producers have always had a difficult time of it opening up new markets of this kind. We do not have the kind of clearing houses which might help these producers who do not have the necessary export experience. "Deals frequently go awry because of communication problems," Frisse says. "There just is not enough know-how in dealing with foreign business partners." In addition, he says, the quality standards set in the FRG because of our climatic conditions are too high; they are not required in areas with less rainfall. "Our products are simply too expensive," Frisse says.

Thus, there are strict limits both on import restrictions and export subsidies. If the huge quantities of wood are not to rot in the forests, they must be properly stored somewhere. Raw wood, if untreated, can only be stored for short periods of time. It can be stored longer—for up to 10 years—if placed in water or under irrigation. But there are limits to this type of storage. If the quantities currently being cut down in Bavaria each year could not be processed, it would take the three large lakes—the Starnbergersee, the Ammersee and the Chiemsee—to accommodate them. The way the forests are dying in Bavaria, this storage capacity might soon no longer be sufficient. The lumber stored in the water would also be hitting the market at a time where there already is an oversupply of wood.

It would be easier to process the wood and store it at the sawmills. But why should they lay in stocks in the face of anticipated price cuts and an already existing crisis in sales.?

There may be a positive answer to this question at some future date perhaps. Once the German forests have all been cut down, the current disgust with abundance may rapidly turn into dispute about shortages. Even optimistic forecasts which say that the steps being planned to combat the death of the forests will begin to take; that fewer trees will be newly affected and that some damaged trees may even begin to recover do not alter the situation very much, Steinlin warns. In all likelihood, the forest areas at that time will not yield as much timber or provide the kinds of services that they do today. "It is quite conceivable," Steinlin says, "that by the end of the century our remaining timber reserves will have declined to half or even less than they are today."

The fact is that no recipe has yet been found to provide rapid reforestation for the devastated areas. It takes decades at least to get such an area back to where it was. A hurricane on 13 November 1972, for example, uprooted 7 million cubic meters of timber in Lower Saxony. 25,000 hectares of timberland had to be replanted. In February 1976, another storm destroyed 3 million more cubic meters. Forest fires in 1975 and 1976 destroyed more than 8,000 hectares of woodland. In spite of large-scale reforestation, forestry official Hans Juergen Otto says, the 1970 levels will not be reached again until the year 2000.

What then is to be done to help our sick forests ? There are a great many suggestions and they are all controversial. One of the primary suggestions which is made over and over again is that fertilization should be increased. But the working group of the German forestry owners association says that that would at best delay the progress of forest damage and not lead to genuine recovery. In addition, they say, fertilization is an expensive proposition costing at least DM 600 to DM 1,000 per hectare. That figure equals the annual profits earned by a lumber company with better-than-average sales. Under the circumstances then, twice the amount of timber would have to be cut to pay for the fertilizer. But that runs into marketing problems--and for another thing it would be in violation of the legally regulated preservation of current levels principle. The experts do agree, however, on the fact that a Hiroshima-type disaster can only be prevented, if air pollution is appreciably reduced. Interior Minister Friedrich Zimmermann believes that the large furnace ordinance passed by the Bundestag has made a start in that direction. The law is designed to cut annual sulphur dioxide pollution by 1.2 million tons. As of 1 July 1983, all large-scale facilities up for approval must be equipped with flue desulphurization devices. With the introduction of leadfree gasoline and catalysts which limit exhaust fumes, Zimmermann is hoping to cut automobile exhaust pollutants by 90 percent.

But there is some doubt that these measures will really take effect before the forests turn into steppes. The most recent study of the council of environment experts states that sulphur dioxide emission cannot be expected to decline in any meaningful way prior to the mid-nineties. But our forests need help right now. Otherwise, we will still be able to sing about the "beautiful Westerwald" but not much more than that. But the government, which has allowed this catastrophe to happen, says forestry official Karl-Friedrich Wentzel, is being called upon to provide funds for setting things straight "which far exceed those set aside to subsidize the coal mines, the steel industry and the shipbuilding industry!"

More Than One-Third of Forests Is Sick

[Result of 1983 Forest Damage Census by Laender and Tree Types]

	Forest Acreage in 1000s of Hectares	Damage Percentage*			Total
		Stage I	Stage II	Stage III	
Schleswig-Holstein	137	9	2	0.4	12
Lower Saxony	977	12	4	1.0	17
North Rhine-Westphalia	855	28	6	0.7	35
Hesse	834	11	3	0.6	14
Rhineland-Palatinate	771	18	4	0.7	23
Baden-Wuerttemberg	1303	31	18	0.6	49
Bavaria	2444	34	10	1.2	46
Saarland	85	9	2	0.3	11
FRG Total	7406	25	8.5	0.9	34
Spruce	2951	30	10	0.9	41
Pine	1464	32	10	1.0	43
Fir	176	27	42	7.0	76
Beech	1250	22	4	0.3	26
Oak	615	13	2	0.2	15
Other	950	9	7	0.4	17
Total	7406	25	8.5	0.9	34

*Stage I: ailing; Stage II: sick; Stage III: very sick to dying.

Source: FRG Ministry for Food, Agriculture and Forestry.

9478

CSO: 3620/180

SOVIET GOSPLAN CHAIRMAN OFFERS NEW JOINT VENTURE PROJECTS

Helsinki HELSINGIN SANOMAT in Finnish 12 Feb 84 p 27

[Article: "Next Soviet Plan Period Offers New Cooperation: Finland Promised Big Logging Contract in the Soviet Union"]

[Text] Over the next few years Finnish loggers will have an opportunity to fell trees in nearby forests behind the Soviet border. At a press conference organized at the end of a week-long visit, Nikolay Baybakov, the chairman of Gosplan, the Soviet Government's planning committee, announced that Finns may significantly increase their lumber imports from the Soviet Union over the next few years. According to him, the logging of from 1 to 1.5 million cubic meters of timber from nearby forests behind the border can be best handled with the aid of Finnish manpower and machines.

According to chairman Baybakov, the Finns have also been promised new construction projects in the course of the next Soviet 5-year plan, one of the biggest of which will apparently be a mining project based on powder metallurgy in the Soviet Union.

In the Soviet Union they plan to start refining natural gas for albumins in two or three plants in the construction of which Finns will probably also get to participate.

During his week-long stay Baybakov became acquainted with many Finnish industrial enterprises and leaders. Particularly the years of the next 5-year plan were the subject of discussions. The starting point was continuation of the present volume of Finnish-Soviet trade. According to the negotiators, any possible changes in Finnish exports should take place as smoothly as possible.

Soviet Union Interested in Forest Harvest Technique

Over the next few years the Soviets will be offering as much as 1.5 million cubic meters of timber for Finns to log from forests behind the border.

The Soviet Union is more and more interested in the harvesting technique that is probably sorely needed to increase the efficiency of the harvesting of over 300 million cubic meters a year. According to Baybakov, the Soviets also feel that there are good opportunities for cooperation in the improvement of logging

equipment technology. He briefly considered the possibility of cooperating in the manufacture of equipment in the future.

Letting Finnish loggers go to cut down Soviet forests has already been considered before at Finnish-Soviet Economic Commission meetings, but it is felt that the head of Gosplan's favorable attitude has speeded up the project so that they will start working on it as soon as during the next few years.

Big Project Close to the Border

The construction of a mine based on powder metallurgy as a cooperative venture between Finland and the Soviet Union which was proposed by Baybakov would open the way to a big new project close to Finland's eastern border, like Kostamus.

Powder metallurgy is a new technique that was developed at the Soviet Academy of Science. With its help it is possible to considerably improve the extraction of metals from ores.

Baybakov also briefly considered cooperation in the field of nonferrous metals. According to him, they will have to study how it would best be feasible to build a nonferrous metals refining plant.

Albumin from Natural Gas

According to Soviet economic experts, they will need two or three plants to extract albumin from natural gas in that country. With it the Soviet Union will try to make at least part of what its marshland produces pay for itself.

They already produce albumin from paraffin in the Soviet Union, but they are still novices in the utilization of natural gas to produce albumin. According to Baybakov, the Finns who participate in the construction of these plants could be paid with from 20 to 30 percent of the albumin produced with their labor.

According to Baybakov, the Soviets are otherwise interested in cooperation in the food industry. They are at present looking into opportunities for Finns to participate in the sanitization of food production plants.

Aside from new cooperative ventures, they also went over Finland's substantial Soviet export industries. They took a closer look at export possibilities for arctic vessels, logging equipment and transport technology. The metal industry will in future continue to be the biggest Finnish export domain.

Manpower Shortage Forcing Them to Improve Production

Improving production will be the chief objective of the next Soviet 5-year plan. According to chairman Baybakov, the country's labor force will no longer be growing at the same rate as before and people's standard of living will have to be raised by improving production.

New technology will also be introduced into Soviet plants during the term of the next plan since last year a special decision was made to develop robots and electronics. Baybakov also promised Nokia good opportunities for cooperation in the field of electronics among other areas.

According to Baybakov, the draft of the new Soviet 5-year plan will be ready by the middle of this year. The plan will cover the period from 1986 through 1990.

11,466

CSO: 3617/96

FINANCE MINISTRY FORECASTS INCREASED GROWTH, STABLE UNEMPLOYMENT

Helsinki HELSINGIN SANOMAT in Finnish 18 Feb 84 p 35

[Unsigned article: "Finance Ministry Predicts Good Year of Economic Growth; Unemployment Decreases Only Slightly"]

[Text] Finland's unemployment picture does not seem to be clearing up. In the Finance Ministry's most recent business-outlook forecast the government found itself making a change for the worse in its own view of the course of unemployment. This year 150,000 persons on the average are estimated to be out of work, or 5.9 percent of the labor force, whereas there was talk of an unemployment level of 5.7 percent when the budget was still being drawn up. At the end of the year 5.5 percent of the labor force is expected to be jobless.

The Finance Ministry's forecast for this year is quite optimistic aside from unemployment. Exports to the West are giving Finland's economy a boost, and the Ministry is in fact revising its prognosis of economic growth one percentage point better than was foreseen last autumn.

According to the business-outlook forecast presented by Chief Director Pertti Sorsa, the labor-force supply has grown surprisingly during the last four years, and the growth of the economy has not been able to offer work to all those who want it. According to Sorsa the government's unemployment measures have not taken effect in the manner hoped for. The resources aimed at the treatment of unemployment have surprisingly increased the work-force supply.

Rise Continues This Year

According to the Finance Ministry's business-outlook indicator the economy's rise will continue during this year. Industrial production is expected to grow five percent this year. Leading the way is the forest industry, whose markets are doing very well in Europe, especially since factories in the United States seem to have enough to do in their home country.

The growth of the economy is based primarily on the rapid surge of exports to the West. It is assumed in the forecast that exports to Western countries will rise a solid ten percent. It is predicted that exports to the East will be slightly reduced. House-construction production is not expected to slip from the high level achieved last year.

According to Sorsa next year total production will grow roughly three percent more, but there will clearly be a downswing in the market outlook in 1986 and production growth will remain at a couple of percent.

Earnings Policy Causes Price Estimate to Waver

The Finance Ministry's forecast of a rise in prices is based on the government's hard-line stand of a three-percent wage increase. If in the end the earnings-policy negotiations result in a three-percent increase measured in ready money, the six-percent inflation rate established as the goal in the government program would be achieved. Next year five-percent inflation would be reached.

According to chief director Sorsa the purchasing power of households grew last year surprisingly well. This year a three-percent earnings decision would bring a one-percent increase in real wages, according to the Ministry's calculations.

The Finance Ministry estimates that the balance of trade will nearly even out this year. The surplus of the balance of services will narrow down somewhat, and interest charges will continue to grow. The exchange-balance deficit is expected to be reduced to 4.3 billion marks.

State Economy Gloomy

The gloomiest picture in the market-outlook forecast is under the heading of state economy. The estimate of the state economy's structural deficit has been revised upwards more than half a billion marks. According to Pertti Sorsa a deficit estimate of over 12 billion may still be a lenient estimate. According to him the state has to strive to cut back on expenditures.

The state economy has not walked the paths planned by the Finance Ministry, because surprising additional expenditures have come from several points. To the biggest belongs last summer's large grain crop, the marketing of which swallows a lot of marks. The Valtava renovation and the agreed-upon work programs also increase the state economy's deficit by hundreds of millions.

Sums of money from taxes did not flow into the state's treasury as large as estimated. The gross tax level has remained lower than estimated. In the government program allowance was made for the gross tax level to increase 37 percent, but the current level is 35.4 percent. A one percentage-point rise in the gross tax level means additional revenue of four billion marks to the state. Chief director Sorsa urged raising the gross tax level to the level agreed upon in the government program.

Last Year's Growth Took by Surprise; Production Grew More than Twice as Fast as Expected

Last year turned out to be better than anyone was able to expect. According to advance information from the Statistics Center the amount of production grew last year 3.3 percent.

In February of last year the Finance Ministry estimated the growth of total production in 1983 at one and a half percent.

The Statistics Center has also secretly checked the growth figures for 1982. Production then grew 2.6 percent, while the earlier estimate was 2.5 and the original advance information reported total production had grown only one percent.

Last year was like a political-economy textbook. At the beginning of the year construction activity and private spending supported the economy, and at the end of the year it was exports, especially of the forest industry, but also metal exports.

Private spending grew last year two percent.

On the other hand, the fact that public spending last year grew four percent, twice as fast as private spending, was not in accordance with the political-economy textbook.

The investment rate continued to be intense last year, too. The amount of investments grew 4.5 percent. Public investments grew only 0.5 percent, but private ones 5.5 percent altogether.

Last year the rate of inflation was brought under control. During the last half of the year the inflation rate was squeezed down to five percent.

Like Sweden's Relay Team

Olavi Niitamo, chief director of the Statistics Center, compared Finland's economic development last year with Sweden's performance in men's relay skiing. To house construction Niitamo gave the part of Thomas Wassberg, who got off to a good start. The forest industry, or Gunde Svan, for its part spurred the economy on to growth, so that "it appears the economic situation will be preserved at least at the present level."

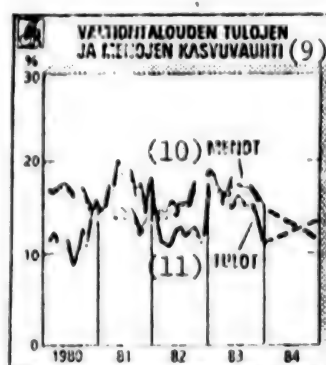
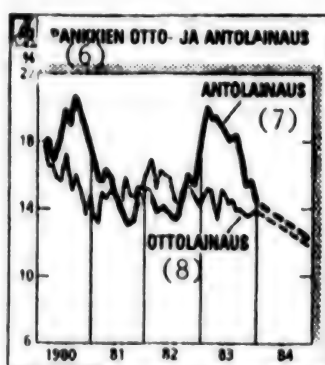
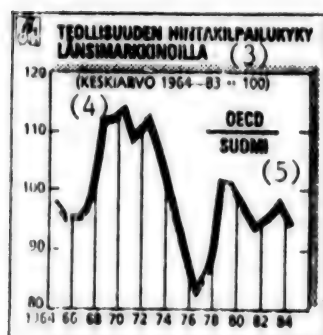
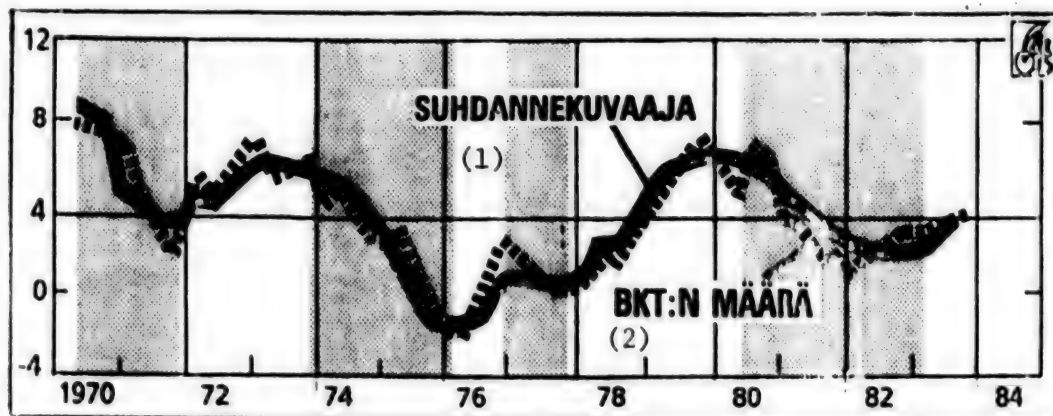
Niitamo also announced a change in outlooks. "We obviously have to begin to consider as a genuine boom the current type of upturn lasting a few years and in which production increases by more than three percent per year. This in spite of the fact that not one of the years equals even the average growth after the Second World War."

What happened to Lot's wife will happen to anyone who dwells on the old ways.

"In addition you have to remember that booms are by nature an inevitable accommodation to the revolution of automation and high technology in general. The evolution in process is unsettling our economy and at the same time the basic structures of our outlooks," said Niitamo. According to him survival presupposes that we are concerned about qualitative competitiveness.

In the future as well, a greater and greater share of the value of our products will have to be obtained from abroad.

The dependence of production on imports has grown continually. The economic upswing, faster than in the other OECD countries on the average, is lifting us up in the "international gold-piglet circle." Last year national income per person was 46,500 marks. This year, according to Niitamo, it will be about 51,000 marks. With it we will rise higher from the current 15th position.



- (1) Business-outlook indicator
- (2) Amount of gross national product
- (3) Price competitiveness of industry on Western markets
- (4) Average value
- (5) Finland
- (6) Banks' borrowings and loans
- (7) Loans
- (8) Borrowings
- (9) Growth rate of state economy's revenue and expenditures
- (10) Expenditures
- (11) Revenue

TALouden KASVULUVUT

	1983	1982		
Bruttokansantuote (mrd mk)	265,4	236,9		
Kansantulon kasvu (%)	12	12	Julkiset	
Kokonaistuotanto (%)	3,3	2,6	kulutusmenot (%)	4 3,6
Tuonnin määrä (%)	5	1,1	Työttömyysaste (%)	6,1 5,9
Viennin määrä (%)	4	-3,9	Matalous (%)	8,5 11,2
Investoinnit (%)	4,5	3,7	Metsätalous (%)	-5 -7,7
Inflaatio (%)	8,5	9,2	Talouksen rakennus (%)	7 4,6
Palkkatulot (%)	11,5	11	Metsäteollisuus (%)	8 -5,2
Yksityiset			Metsäteollisuus (%)	3,5 6,4
kulutusmenot (%)	2	4	Metsäteollisuus (%)	2 1

THE ECONOMY'S GROWTH FIGURES

	1983	1982
Gross national product (in billions of marks)	265.4	236.9
Growth of national income (%)	12	12
Total production (%)	3.3	2.6
Amount of imports (%)	5	1.1
Amount of exports (%)	4	-3.9
Investments (%)	4.5	3.7
Inflation (%)	8.5	9.2
Wages (%)	11.5	11
Private spending (%)	2	4
Public spending (%)	4	3.6
Unemployment level (%)	6.1	5.9
Agriculture (%)	8.5	11.2
Forestry (%)	-5	-7.7
House construction (%)	7	4.6
Forest industry (%)	8	-5.2
Metal industry (%)	3.5	6.4
Other industry (%)	2	1

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POPULATION WILL DECLINE BEGINNING IN 1900'S

Helsinki HELSINGIN SANOMAT in Finnish 14 Feb 84 p 0

[Unsigned article: "Regional Policy Forecast: Population Will Begin to Decline by End of 1990s"]

[Text] In the provinces of Uusimaa, Oulu and Vaasa the population continues to grow the fastest, while a decrease in the amount of people threatens the provinces of Kymi, Mikkeli and Pohjois-Karjala already in this decade. The population of the entire country may turn into decline during the last half of the 1990s.

This is the way the planning division of the offices of the State Council assesses the factors of change in regional development in Finland from 1983 to 2000.

In the report it is estimated that regional development has evened out considerably since the first half of the 1970s. It is believed, however, that the current problems of regional development will continue and in some measure even reach a critical point in the next few years.

The chief problem of regional development in the 1980s remains the imbalance of supply and demand in the labor force.

It is forecast that the growth of the labor supply will continue at the start of the 1990s in the provinces of Uusimaa, Oulu and Vaasa. In the rural counties of East Finland the labor supply will probably begin to shrink in the next few years.

The development of the demand for labor depends upon changes in total production, profitability and work time. If economic growth is over three percent a year, it appears possible that the demand for labor could continue to grow quite favorably, it says in the report.

According to the account balanced regional development is threatened by the concentration of business firms in regions where the capacity for the utilization of technology and the level of knowledge and skills are the most advanced. Helsinki, in particular, is becoming such a region.

With current regional and employment measures it may not be possible to substantially decrease unemployment in the backward and weakest industrial regions, the report states. A solution to the employment problem presupposes new methods for the distribution of jobs and for the expansion of the concept of work.

The need for a curtailment of work time is growing stronger. Curtailment of work time namely increases employment in the regions most developed in their industrial structure.

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BRIEFS

EFFORT TO BALANCE BULGARIAN TRADE--The Finns are hoping that the Bulgarians will make the marketing of their products in Finland more effective in order to balance the trade surplus. This, among other things, should be brought up in the discussions on Wednesday between Bulgarian Foreign Minister Petar Mladenov and Foreign Minister Paavo Vayrynen on the first day of Mladenov's visit to Finland. Trade between the two countries has in recent years remained clearly on the surplus side for Finland and imports from Bulgaria have been declining. For example, last year Finland's exports to Bulgaria amounted to 93 million markkaa while imports from that country amounted to 28 million markkaa. [Text] [Helsinki UUSI SUOMI in Finnish 16 Feb 84 p 7] 10576

EXPORTS, IMPORTS FROM USSR RISE IN 1983

The Hague ANP NEWS BULLETIN in English 23 Feb 84 pp 4-5

[Text] The Hague, February 22--Dutch visible exports to the Soviet Union rose considerably last year but the two parties appear to differ today on how considerable the rise really was.

Soviet statistics put the rise at more than 55 percent but the Dutch central statistical office last Thursday said Dutch exports to the Soviet Union had risen by 'only' 35 percent.

The Soviet figure was given by the acting chief of the Soviet foreign trade ministry's western countries department, Yuri Balod, in the Soviet embassy's official publication here today.

He said the increase had narrowed the 'considerable gap' in Soviet-Dutch trade' which had led to Dutch concern.

The Dutch economics ministry said today that although last year's exports to the Soviet Union had risen by some 400 million guilders, Holland's imports from the Soviet Union had also risen by nine percent, or some 630 million guilders.

Trade Balance

Holland's balance of trade deficit with the Soviet Union had risen to 6.0 billion guilders last year from a 5.7 billion deficit in 1982.

The discrepancies are said to be due to vast differences in trade definitions and exchange rates which make figures from the two countries virtually irreconcilable.

The Soviet ministry has said exports to Holland totalled 1,567.2 million roubles in 1982 and 1,392.5 million roubles in the first nine months of 1983. It said Soviet import of Dutch goods totalled 359.3 million roubles and 439.4 million roubles in 1982 and the first nine months of 1983, respectively.

The provisional Dutch figures released last week put exports to the Soviet Union in 1982 at 1.13 billion guilders and 1.54 billion guilders in 1983.

Holland's Soviet imports in 1982 and 1983 totalled 6.87 billion and 7.5 billion guilders respectively, the ministry said.

CSO: 3600/10

BOLKESTEIN ON TRADE OPPORTUNITIES WITH PRC

The Hague ANP NEWS BULLETIN in English 24 Feb 84 p 5

[Text] The Hague, February 23--Holland should take better advantage of China's drive for modernisation by exporting more capital goods and technological know-how to the People's Republic, Foreign Trade Minister Frits Bolkestein said today.

In a memorandum sent to the second chamber, Bolkestein said Holland's export package to China was too one-sided and should include more consultancy and capital goods.

Holland's exports to China showed a favourable trend last year, in line with other European community states, with export figures for the first 11 months at 305 million guilders, almost 75 percent up on the 177 million for full 1982, he said.

Bolkestein predicted that China would stick to its policy of encouraging foreign trade and investment in the years ahead.

He said Dutch trade and industry should not confine themselves simply to direct trade with China, but should also probe the possible advantages in franchise and compensation agreements, joint ventures and other forms of economic cooperation.

Trade Missions

The recent upgrading of Sino-Dutch diplomatic relations also opened the way for formal negotiations on a bilateral investment protection agreement, providing more security for Dutch investors in China, Bolkestein said.

Two Dutch trade missions would travel to China in March. The first, consisting of representatives from ten Dutch firms and headed by the Netherlands Council for Trade Promotion, would hold talks in Peking on economic cooperation with Chinese trade and industry.

The second mission, at the end of March, would be led by Federation of Netherlands Industries (VNO) Chairman Chris van Veen. This mission was also

to pave the way for further government activities to stimulate trade between the two countries, he added.

An economics ministry spokesman said Bolkestein had been invited to pay an official visit to China and would probably go to Peking in May or June. During that visit, the foreign trade minister would outline a programme for furthering Sino-Dutch economic relations, he said.

Bolkestein told the second chamber China was interested in the services of the Dutch transport sector in widening the access channels to Chinese harbours and expanding harbour facilities.

He said he also expected growing Chinese interest in possible Dutch contributions to the country's inland shipping and road and rail infrastructure.

Holland's most important products to China are chemical and pharmaceutical products, artificial fertiliser and machinery. The Netherlands' major Chinese imports consist of textiles, pharmaceutical products, organic raw materials and oil-bearing seed.

CSO: 3600/9

LIBYAN EFFORTS TO PAY TURKISH CONTRACTORS

Istanbul CUMHURİYET in Turkish 4 Jan 84 p 9

[Text] Istanbul (TURKISH NEWS AGENCY) -- The Libyan government will reportedly start paying its 1983 bills to Turkish contractors this month.

In a statement about the debts to Turkish contractors in Libya, Libas Board Chairman Ali Riza Carmikli said that the Libyan government usually makes its payments at the end of the year, but still had not made its 1983 payments, and that talks on this matter were in progress and expected to be concluded by 15 January at the latest.

Ali Riza Carmikli explained that the bills owed to Turkish contractors had reached large proportions and were awaiting settlement. He added that it was necessary to ensure that friendship and cooperation with Libya continue.

Stating that an agreement for 1.5 million tons of oil amounting to \$325 million had been concluded between Libya and Turkey for 1983, Carmikli continued:

"The terms of the agreement were that Turkey would refine and sell this oil and the income obtained would be paid to the Turkish contractors through the Libyan government. However, this was inadequate owing to the low capacity of Turkish refineries and Libya would not accept proposals to supply more oil, putting all of us in a difficult position."

Carmikli said that Turkey could have the oil in excess of its own capacity refined in other countries and added that a list of their proposals in this regard would be forwarded to the new government.

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CSO: 3554/118

MUMCU ON INVESTIGATION OF FOREIGN EXCHANGE SOURCES

Istanbul CUMHURIYET in Turkish 4 Jan 84 pp 1, 6

[Article by Ugur Mumcu in column "Observation": "Origin Will Not Be Investigated!"]

[Text] The communique on "Protecting the Value of Turkish Currency" published by the newly formed Undersecretariat for the Treasury and Foreign Trade asserts that foreign exchange is free to enter Turkey and offers this assurance:

--The origin will not be investigated.

What does this mean?

It means that no one bringing foreign currency into Turkey can be asked, "Where did you get this money?" It plainly implies eliminating some of the powers of the treasury police. That's it in a nutshell.

But why will "the origin" not be investigated?

It will not be investigated because the stuff you call capital is jittery. Once it sees the treasury police at the door, it runs away. To keep it from running away, assurance is given on behalf of the state that "you can get your money wherever you like, I'm not asking where it came from."

Turkey was turned back in recent years from the brink of "a covert civil war." The investigations and interrogations conducted revealed that enough arms and ammunition were brought into Turkey to equip an army for this purpose. Their source was not Turkish currency. The weapons were bought from foreign arms manufacturers with dollars, marks, francs, rubles and levs, not with 5,000-lira or 10,000-lira bills. This is why some people were bothered by the question of foreign exchange in the arms smuggling.

Where did all this money come from?

The quick answer is "from the CIA" or "from the KGB." These answers are insufficient to explain the matter. As in everything else, some deep investigation is obviously needed on this topic also.

If, after deregulating the foreign exchange trade, you offer assurance that "I will not question its source," couldn't shady circles use this assurance for ill?

What does it mean not to question the source, anyway?

So foreign exchange trade is deregulated; the source can still be asked for if necessary. How could the state, as a rule, relinquish this due financial oversight? Let us suppose that gold is smuggled abroad from Turkey and millions of dollars are brought to Turkey in exchange for this gold. What will the state do?

Nothing!

For years, Turkey has been used as an arms and narcotics smuggling area. Narcotics come from the Far East to Turkey where they join narcotics produced in Turkey and are sent abroad; now the smuggler who gets the narcotics out of the country can bring the money for this stuff back to Turkey in dollars, marks or francs.

The police will ask:

--Where did this money come from?

The smuggler will answer:

--You cannot ask me that. Go read the communique of 29 December 1983. Article 5 says the origin of foreign exchange will not be investigated.

Yes, that is how it will be. The source of foreign exchange brought into the country will not, cannot be questioned.

In that case, the struggle called the "war on smuggling" will be made so difficult as to be impossible.

Bring foreign exchange; don't ask where it came from. What kind of business is this?

We understand liberalization, but what is this "the origin will not be investigated" bit? Whose money is it, from whom is it being concealed, and how is the state suddenly being pulled out of the picture?

"The state," we keep saying, "The state"; and well you may ask how and by what means the state, enjoined from seeking the source of foreign exchange brought into the country, is going to stop this smuggling traffic.

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CSO: 3554/118

SALE OF OIL PRODUCTS CONTINUES TO DECLINE

Helsinki HELSINGIN SANOMAT in Finnish 7 Feb 84 p 22

[Unsigned article: "Sale of Oil Products Decreased Also Last Year"]

[Text] Last year the domestic sale of oil products decreased by nine percent to about nine million tons. Oil's share in total energy consumption continued to diminish. Last year's share of 36 percent is among the lowest of the industrialized countries, says the Central Alliance of the Oil Trade.

The consumption of various oil products developed along earlier lines. Growth of the total consumption of motor combustion liquid fuels continued, and clearly more gasoline was also used than before. On the other hand, the consumption of heavy fuel oil went into sharper decline than previously. Less light fuel oil as well was sold than before, although its consumption curve is evening out to some degree.

Total oil sales, into which is figured the fuel deliveries and oil use in refinery and petrochemical units, declined seven percent. In the new sharing of energy markets the only winner is electricity, the consumption of which grew last year about eight percent, while total energy consumption was growing only about two percent, says the Alliance's managing director, Henrik Lundsten.

Compared to the peak level of 1973, the energy use of oil in Finland has declined approximately 28 percent. The changes of the last few years in particular have been sharp, and during the past five years oil use has dropped 22 percent, the Alliance reports.

The rise in the consumption of motor fuels is primarily linked to the growing popularity of the personal car as a mode of transportation. The number of personal cars increased about four percent, and 3.4 percent more gasoline was burned than previously. The sale of diesel oil also increased just as much.

The sale of motor petrol declined about ten percent. Experiences of the use of petrol cars and their weak resale value led consumption back to gasoline and diesel oil, the Alliance concludes.

The Alliance believes that the popularity of oil heating is slowly returning. The changeover from oil has come to a halt in old buildings, and oil heating

is improving its position in new facilities as well, although, to be sure, it has nowhere to go but up.

Growth in the consumption of heavy fuel oil derived chiefly from the fact that previously oil was replaced in industry by coal and other fuels.

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BRIEFS

ELECTRICITY CONSUMPTION RISES--The use of electricity has continued to grow rapidly. January's addition was a good 15 percent. From information gathered by the Association of Electric Power Plants it appears that growth on the annual level is over ten percent. Quantitatively, the 12-month growth is 4.3 billion kilowatt-hours, which equals the entire yearly production of the no. 1 unit of the Olkiluoto nuclear power plant. The accelerated growth of electricity use confirms opinions that Finland's economic growth will rise this year to a greater extent than predicted, the Association of Electric Power Plants judges. Industry has staged a recovery, compared to the corresponding period of last year, and needs more and more electricity to assure its increasing production. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 15 Feb 84 p 32] 12327

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